

**Graydon
Head &
Ritchey**
Attorneys at Law

RECORDATION NO. 21250 FILED

MAR 5 '98

4-53 PM

1900 Fifth Third Center
511 Walnut Street
Cincinnati Ohio 45202
513/621-6464
Facsimile 513/651-3836

Mailing Address:
P.O. Box 6464
Cincinnati Ohio 45201

Kentucky Office:
8100 Burlington Pike
Florence Kentucky 41042
606/282-8800
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Gerald F. O'Connell, Jr.
Direct Dial: 513/629-2808

March 4, 1998



Via Federal Express

Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO. _____ FILED

MAR 5 '98

4-53 PM

Re: Documents For Recordation

Dear Secretary:

We are the attorneys for Fifth Third Bank, which has made a loan to RMW Ventures, LLC, which leases railroad assets to three railroads: C&NC Railroad Corporation, Maumee & Western Railroad Corporation and Wabash Central Railroad Corporation. I have enclosed please find an original and one copy/counterpart of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code. These documents are notarized in compliance with Ohio law.

The documents are:

1. A Loan and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Borrower:

RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Lender:

The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Loan and Security Agreement between Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 and RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 dated February 27, 1998, and covering all business assets, including all equipment, general intangibles, inventory, rolling stock,

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locomotives, accounts receivables, contract rights, etc. Included in the property covered by the aforesaid document are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned by RMW Ventures, LLC at the date of said document or thereafter acquired by it or its successors as owners of the lines of railway covered by the document.

LOCOMOTIVE ROSTER

<u>UNIT NO.</u>	<u>MANUFACTURER/MODEL</u>
IHRC 221	EMD SW-1200
OHCR 2393	EMD GP-35
OHCR 2257	EMD GP-35
IHRC 373	EMD GP-35
IHRC 325	ALCO C-425
IHRC 371	EMD GP-35
IHRC 223	EMD SW-1200
IHRC 344	EMD GP-7U
IHRC 345	EMD GP-7U

RAIL CAR FLEET

<u>CAR NO.</u>	<u>CAR TYPE</u>
IHRC 505	CABOOSE
IHRC 961	GONDOLA
IHRC 1003	FLAT
SOU 36917	BOXCAR
NW 527146	TOOL CAR/WORK CABOOSE
IHRC 960	GONDOLA
IHRC 1501	50' BOXCAR

A detailed copy of the collateral list is attached hereto as Exhibit A.

2. An Open-End Mortgage and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

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A short summary of the document to appear in the index follows: Open-End Mortgage and Security Agreement between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998, and covering all real estate and improvements thereon located in Henry County, Ohio.

3. An Open-End Mortgage and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Open-End Mortgage and Security Agreement between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998, and covering all real estate and improvements thereon located in Defiance County, Ohio.

4. An Open-End Mortgage and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Open-end mortgage and security agreement between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998, and covering all real estate and improvements thereon located in Paulding County, Ohio.

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5. An Open-End Mortgage and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Open-end mortgage and security agreement between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998, and covering all real estate and improvements thereon located in Allen County, Indiana.

6. An Open-End Mortgage and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Open-end mortgage and security agreement between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998, and covering all real estate and improvements thereon located in Wells County, Indiana.

7. An Open-End Mortgage and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

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Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Open-end mortgage and security agreement between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998, and covering all real estate and improvements thereon located in Huntington County, Indiana.

8. An Open-End Mortgage and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Open-end mortgage and security agreement between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998, and covering all real estate and improvements thereon located in Grant County, Indiana.

9. An Open-End Mortgage and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Open-end mortgage and security agreement between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998, and covering all real estate and improvements thereon located in Fayette County, Indiana.

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10. An Open-End Mortgage and Security Agreement, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: Open-end mortgage and security agreement between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998, and covering all real estate and improvements thereon located in Wayne County, Indiana.

11. A mortgage prepared under Ohio Revised Code Section 1701.66, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Mortgagor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: A mortgage between RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263 dated February 27, 1998 and covering all business assets, including all equipment, general intangibles, inventory, rolling stock, locomotives, accounts receivables, contract rights, etc. Included in the property covered by the aforesaid document are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned by RMW Ventures, LLC at the date of said document or thereafter acquired by it or its successors as owners of the lines of railway covered by the document.

12. A mortgage prepared under Ohio Revised Code Section 1701.66, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

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Mortgagor: Maumee & Western Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112

Mortgagee: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263

A short summary of the document to appear in the index follows: A mortgage between Maumee & Western, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, dated February 27, 1998, and covering all business assets, including all equipment, general intangibles, inventory, rolling stock, locomotives, accounts receivables, contract rights, etc.

13. A security agreement for motor vehicles, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Debtor/Borrower: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Secured Party/Lender: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263.

A short summary of the document to appear in the index follows: A security interest in various motor vehicles is granted by RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 to The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, dated February 27, 1998 covering various motor vehicles listed as an Exhibit to the Agreement.

14. A Security Agreement, a primary document, dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Debtors: (i) Maumee & Western Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112;

(ii) C & NC Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112; and

(iii) Wabash Central Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Secured Party: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263.

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A short summary of the document to appear in the index follows: Security Agreement from Maumee & Western Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, C & NC Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, and Wabash Central Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, all as Co-Debtors, to the benefit of The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, dated February 27, 1998, and covering all business and railroad assets of the three Debtors, including all rolling stock, locomotives, inventory, equipment, general intangibles, contracts, accounts receivables, now or hereafter owned. Included in the property covered by the aforesaid document are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned by each of the Debtors at the date of said document or thereafter acquired by it or its successors as owners of the lines of railway covered by the document.

LOCOMOTIVE ROSTER

<u>UNIT NO.</u>	<u>MANUFACTURER/MODEL</u>
IHRC 221	EMD SW-1200
OHCR 2393	EMD GP-35
OHCR 2257	EMD GP-35
IHRC 373	EMD GP-35
IHRC 325	ALCO C-425
IHRC 371	EMD GP-35
IHRC 223	EMD SW-1200
IHRC 344	EMD GP-7U
IHRC 345	EMD GP-7U

RAIL CAR FLEET

<u>CAR NO.</u>	<u>CAR TYPE</u>
IHRC 505	CABOOSE
IHRC 961	GONDOLA
IHRC 1003	FLAT
SOU 36917	BOXCAR
NW 527146	TOOL CAR/WORK CABOOSE
IHRC 960	GONDOLA
IHRC 1501	50' BOXCAR

15. Collateral Assignment and Subordination of Contract, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

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Borrower: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Guarantor: Maumee & Western Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Bank: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263.

A short summary of the document to appear in the index follows: Collateral Assignment and Subordination of Contract between RMW Ventures, LLC, Borrower, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, Maumee & Western Railroad Corporation, Guarantor, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, dated February 27, 1998, and covering the Equipment Lease between RMW Ventures, LLC as lessor and Maumee & Western Railroad Corporation as the lessee which is a lease of all railroad equipment, locomotives, rolling stock, etc.

16. Collateral Assignment and Subordination of Contract, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing document are as follows:

Borrower: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Guarantor: Wabash Central Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Bank: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263.

A short summary of the document to appear in the index follows: Collateral Assignment and Subordination of Contract between RMW Ventures, LLC, Borrower, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, Wabash Central Railroad Corporation, Guarantor, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, dated February 27, 1998, and covering the Equipment Lease between RMW Ventures, LLC as lessor and Wabash Central Railroad Corporation as the lessee which is a lease of all railroad equipment, locomotives, rolling stock, etc.

17. Collateral Assignment and Subordination of Contract, a primary document dated February 27, 1998.

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The names and addresses of the parties to the foregoing document are as follows:

Borrower: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Guarantor: C & NC Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Bank: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263.

A short summary of the document to appear in the index follows: Collateral Assignment and Subordination of Contract between RMW Ventures, LLC, Borrower, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, C & NC Railroad Corporation, Guarantor, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, and Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, dated February 27, 1998, and covering the Equipment Lease between RMW Ventures, LLC as lessor and C & NC Railroad Corporation as the lessee which is a lease of all railroad equipment, locomotives, rolling stock, etc.

18. Subordination Agreement of Lease to Debt, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing documents are as follows:

Lessor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Lessee: Maumee & Western Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Bank: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 46263.

A short summary of the document to appear in the index follows: Subordination Agreement Of Lease To Debt between Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, as lessor, and Maumee & Western Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 as lessee, dated February 27, 1998, and covering all the right, title and interest of lessor and lessee in and to a real estate lease from lessor as landlord to lessee as tenant of real property over which railroad tracks run, as more particularly described in the exhibit to the Agreement.

19. Subordination Agreement of Lease to Debt, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing documents are as follows:

Lessor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Lessee: C & NC Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Bank: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 46263.

A short summary of the document to appear in the index follows: Subordination Agreement Of Lease To Debt between Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, as lessor, and C & NC Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 as lessee, dated February 27, 1998, and covering all the right, title and interest of lessor and lessee in and to a real estate lease from lessor as landlord to lessee as tenant of real property over which railroad tracks run, as more particularly described in the exhibit to the Agreement.

20. Subordination Agreement of Lease to Debt, a primary document dated February 27, 1998.

The names and addresses of the parties to the foregoing documents are as follows:

Lessor: RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Lessee: Wabash Central Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112.

Bank: The Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 46263.

A short summary of the document to appear in the index follows: Subordination Agreement Of Lease To Debt between Fifth Third Bank, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, RMW Ventures, LLC, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112, as lessor, and Wabash Central Railroad Corporation, Suite A, 205 North Capitol Avenue, Corydon, Indiana 47112 as lessee, dated February 27, 1998, and covering all the right, title and interest of lessor and lessee in and to a real estate lease from lessor as landlord to lessee as tenant of real property over which railroad tracks run, as more particularly described in the exhibit to the Agreement.

* * * * *

There exists three Subordination Agreements in which various other creditors to RMW Ventures, LLC have subordinated their repayment and their liens to The Fifth Third Bank. We do not believe that those need to be filed and indexed with you as they do not appear to meet the definition of "primary document" in the federal regulations. However, please advise as to whether you believe we should submit those Subordination Agreements in which other creditors acknowledge that their

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liens and assets described above are junior and subordinate to the liens granted above to The Fifth Third Bank.

\$24.00 JF
A fee of \$462.00 (~~\$~~ per document) is enclosed. Please return the original and any extra copies not needed by the Board for recordation to Gerald F. O'Connell, Jr., Esq., Graydon, Head & Ritchey, 1900 Fifth Third Center, 511 Walnut Street, Cincinnati, Ohio 45202.

Very truly yours,

GRAYDON, HEAD & RITCHEY

Gery O'Connell
Gerald F. O'Connell, Jr.

GFO/ps
Enclosures

SURFACE TRANSPORTATION BOARD

WASHINGTON, DC., 20423-0001

OFFICE OF THE SECRETARY

Gerald F. O'Connell, Jr.
Graydon Head & Ritchey
1900 Fifth Third Center
511 Walnut Street
Cincinnati, Ohio 45202

DATE:3/5/98

Dear Sir:


The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C

11301 and 49 CFR 1177.3 (c), on 3/5/98

at 4:53 PM

assigned recordation numbers (s). 21250, 21251, 21252, 21253, 21254, 21255, 21256 and 21257.

Sincerely Yours,


Vernon A. Williams
Secretary

Enclosure(s)

192.00

\$-----The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee you will receive a notification after the Surface Transportation Board has had an opportunity to examine your document.

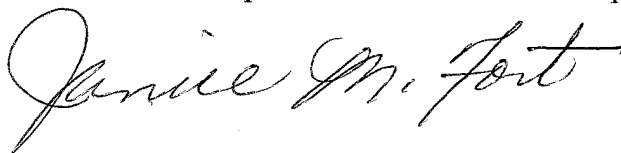


EXHIBIT A

EXHIBIT A

to UCC Financing Statement

Debtor/Borrower hereby grants Secured Party a security interest in all of the following Collateral now owned or hereafter acquired or arising:

(a) ACCOUNTS: all accounts, contract rights, instruments, documents, chattel paper, and all obligations in any form arising out of the sale or lease of goods or the rendition of services by Debtor; all guaranties, letters of credit and other security for any of the above; all merchandise returned to or reclaimed by Debtor; and all books and records (including computer programs, tapes and data processing software) evidencing an interest in or relating to the above.

(b) INVENTORY: any and all goods, supplies, wares, merchandise and other tangible personal property, including raw materials, work in process, supplies and components, and finished goods, whether held for sale or lease, or furnished or to be furnished under any contract for service, and also including products of and accessions to inventory, packing and shipping materials, and all documents of title, whether negotiable or non-negotiable, representing any of the foregoing.

(c) EQUIPMENT: All machinery, machine tools, equipment, fixtures, office equipment, furniture, furnishings, motors, motor vehicles, tools, dies, parts, jigs, goods (including, without limitation, each of the items of equipment set forth on any schedule attached hereto), and all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, and all supplies used or useful in connection therewith.

(d) GENERAL INTANGIBLES: all general intangibles, choses in action, causes of action, all other obligations or indebtedness owed to Debtor from any source whatsoever, and all other intangible personal property of every kind and nature (other than Accounts) including without limitation patents, trademarks, trade names, service marks, copyrights and applications for any of the above, and goodwill, trade secrets, licenses, franchises, rights under agreements, tax refund claims, and all books and records including all computer programs, disks, tapes, printouts, customer lists, credit files and other business and financial records, and the equipment containing any such information.

(e) all proceeds and products of Collateral and all additions and accessions to, replacements of, insurance or condemnation proceeds of, and documents covering Collateral, all tort or other claims arising out of damage or destruction of Collateral, all property received wholly or partly in trade or exchange for Collateral, all leases of collateral and all rents, revenues, issues,

profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition, of the Collateral or any interest therein.

(f) all instruments, documents, securities, money or other property, owned by Debtor or in which Debtor has an interest, which now or hereafter are at any time in the possession or control of Secured Party or in transit by mail or carrier to or in the possession of any third party acting on behalf of Secured Party, without regard to whether Secured Party received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether Secured Party had conditionally released the same, and any deposit accounts of Debtor with Secured Party, including all demand, time, savings, passbook or other accounts.

(g) All machinery and equipment listed in **Schedule "I"**, consisting of the locomotives; the rail car fleet; the rubber tire equipment; the M/W On-Track equipment; all maintenance tools; all radio equipment and inventory and all other machinery, equipment, tools, (including hand tools), inventory, and other items normally kept or used in connection with the operation of each or all of the Lines and specifically including all switch and other keys, locks or other entry or control devices related to any of the physical assets or operations of these lines whether or not specifically listed in **Schedule "I"**.

(h) **Connersville Line** - All of the real operating property, improvements and appurtenances comprising the line of railroad generally running from and between Connersville (at or near Mile Post 0.0 of that line) to Beesons (M.P. 0.05.1) (specifically, that line of railroad acquired by the Debtor under deed from R. Franklin Unger, as Trustee, dated 2/27/98 and recorded in the Fayette County, Indiana Recorder's Office as Instrument Number _____ and Wayne County, Indiana Recorder's Office as Instrument Number _____), including all roadbed, main tracks, sidings, spurs, depots, yards, storage and parking areas, connecting tracks, bridges, culverts, buildings, structures, communication and signal facilities, which are appurtenant to and used in the operation of this railroad line (the "Appurtenant Facilities") and all real operating property underlying this line as right-of-way, and all other real operating property of Indiana Hi-Rail Corporation which is contiguous, adjacent to or otherwise related to this line of railroad, whether part of the right-of-way or not.

All of Borrower's right, title and interest in the Agreement with Norfolk and Western Railway Company dated December 18, 1997, subject to the approval of Norfolk and Western Railway Company and all associated agreements, including but not limited to the "Assignment Agreement" dated February 11, 1991 and the associated interchange agreements with Conrail, dated November 1, 1991 and with Norfolk Southern, dated June 15, 1989. The said Lease Option Agreement and associated agreements all covering that line of railroad from and between Beesons (at or near Mile Post CB 4.8, more or less of that line) to New Castle, Indiana (at or near Mile Post 25.6, more or less (Thornburg Street)), including all Appurtenant Facilities to this railroad line, specifically including, but not limited to, all such track situated at or between New Castle and Beesons, among those being the tracks now or formerly known as the "Beesons Storage Tracks" and the "New Castle Industrial Track" or "New Castle Switch Lead" (the latter being the remaining

portion of the former Norfolk & Western branch between New Castle and Rushville, Indiana (approximately M.P. 0.0 to 1.82, more or less of that line).

(i) Defiance (Maumee) Line - All of the real operating property improvements and appurtenances on or about the line of railroad generally running from and between Liberty Center, Ohio (at or near M.P. 27.4, more or less, of that line) and to Woodburn, Indiana (at or near M.P. 77.8, more or less, of that line), being approximately 50.4 miles in length, all Appurtenant Facilities to this railroad line, and all other real operating property which Debtor now owns or will (as a result of the exercise of its option with Norfolk & Western) own or control which is contiguous, adjacent to or otherwise related to his line of railroad, whether part of the right-of-way of railroad or not. All real operating property shown on any of the Valuation Maps (reference) which is now or was formerly owned by the Norfolk & Western, Wabash Railroad, Norfolk Southern, Pocahontas Land Company or any predecessor, affiliated or subsidiary company of any of them pertaining to this railroad line. In addition, access to and control of other tracks necessary to effect connection to and interchange with the CSX Railroad at Defiance, Ohio and the Norfolk Southern at Woodburn, Indiana, and the easement to real property at or near Liberty Center, Ohio (approximate M.P. 30.3 plus or minus) acquired by Indiana Hi-Rail Corporation from Milton Overmier and Beverly A. Overmier in the Township of Liberty, Henry County, Ohio and dated February 28, 1991, for the purpose of construction of connecting/interchange trace between this Defiance Line and the track now owned and operated by the Grand Trunk Western Railroad a subsidiary of Canadian National Railways at or near the same location, and the perpetual "mutual use" of that tract of the above-mentioned Norfolk Southern Defiance line between M.P. 77.8 and 78.7 of that line, including the exclusive rights to provide all freight service to all customers at, along, adjacent to or otherwise serviceable from this stretch of track, being the same as included at item 2.c in an Agreed Entry and Stipulation in the matter of in Re: Sagamore National Corporation and Indiana Hi-Rail Corporation between the Trustee and Norfolk Southern Corporation entered with the United States Bankruptcy Court, Southern District of Indiana, Indianapolis Division in Case No. IP94-08502-RLB-11.

(j) Bluffton (St. Mary) Line - All of the real operating property, improvements and appurtenances on or about the line of railroad generally running from and between Craigville, Indiana (at or near M.P. 117.8 or that line) and to Van Buren, Indiana (at or near Mile Post 144.2 of that line), being approximately 26.4 miles in length, including al Appurtenant Facilities to this railroad line; and all other real property which Debtor now owns or will (as a result of the exercise of its option with Norfolk & Western) own or control which is contiguous, adjacent to or otherwise related to the operation of this railroad line, whether part of the operating right-of-way or not. All property shown in **Schedule "II"** and including perpetual trackage rights over that portion of the Norfolk Southern's line in Bluffton (approximately M.P. 123.0 to 123.8) currently or formerly known as the Norfolk Southern New Castle District line between New Castle, and Ft. Wayne, Indiana, and the transfer of access to or control of other tracks necessary to effect connection to and interchange with the Norfolk Southern at Bluffton and at Van Buren, Indiana.

(k) All tenements, hereditaments, privileges, appurtenances and easements belonging or in any way appertaining to the real operating property comprising the Lines;

(l) All crossing agreements, leases; licenses; wire, pipe, and other rental or usage agreements and contracts providing rights to third parties pertaining to the Lines, all of which shall be assigned to Borrower at Closing;

(m) All of Borrower's right, title and interest in the trade fixtures whether semi or permanently affixed or installed equipment which is customarily kept, used or stored on, along, under, or upon the right-of-way or adjacent property and used in the operation of the Lines.

(n) All office fixtures, equipment, machines, furnishings and computer hardware, software, diskettes, tapes and other computer media containing any data or record storage relating to any or all of the Lines, together with all programs, installed or not, data bases and all related object and source codes, manuals and guides, whether listed in **Schedule "I"** or not.

(o) All of Borrower's right, title and interest in and to the freight operating franchises for the Lines, whether such franchises are currently held by Seller or by any related entity, including assignment of all rights and interests in any interchange agreements, trackage rights, joint facility agreements, side track agreements and all other related operating agreements or arrangements relating to any of the Lines (the "Operating Agreements"). A list of which is attached hereto as **Schedule "III"**. Borrower shall assume all tariffs; exempt quotations; transportation contracts; officially published station lists; equipment lists; divisional agreements or related intercarrier agreements concerning revenues, freight claims or per diem or other car billing or repair matters; and all other associated agreements of whatever type associated with the operation of any or all of the Lines. Borrower agrees to support Borrower's assumption of all such agreements and arrangements before any regulatory or administrative agency with jurisdiction over such assignment or transfer and shall use its best efforts to obtain third party approval, if necessary for such transfers or assignments.

(p) All of Borrower's right, title and interest in its equipment leases (including the car lease agreement for twelve (12) 80' double door, high cube auto parts box cars currently assigned to the "Ford pool" based at Connersville, Indiana, and including the lease of Locomotive 365), agreements (including all crossing agreements), all governmental authority, licenses and permits (including environmental permits), necessary and/or related to the operation of the Lines or of the other Assets, whether such leases, contracts (including contracts of carriage), agreements, licenses and permits where in the name of the Borrower or in the names of officers or agents of the Borrower, all of which shall be assigned to Borrower at Closing (the "Assigned Agreement"). A complete list of the Assigned Agreements is attached hereto as **Schedule "IV"**.

(q) The originals and all known copies of all books and records, contracts, leases, crossing or license agreements relating to the management, accounting, operation or customer marketing of the Lines, including all customer files and lists, customer prospect lists and files, order books, order files, credit histories for each customer, supplier lists and other supplier information, purchasing records, invoices, all software and associated licensing agreements, all regardless of whether kept in paper, electronic or other media form. Seller shall use its best efforts to have all such contracts and agreements, leases or license agreements assigned and the originals of the same

delivered to Borrower at closing. In the event that any such agreements or contracts remain in the possession of Norfolk Southern or any affiliated company at closing, Seller shall cooperate with and assist Borrower to obtain the same from Norfolk Southern, using Seller's best efforts.

(r) The originals (whether on sepia, mylar, acetate, paper or linen stock) and all known copies of all engineering drawings, calculations, construction drawings and records any repair drawings and records for any and all Appurtenant Facilities on or about any of the property to be transferred to Borrower, regardless of its location on any of the Lines. Seller shall use its best efforts to assure that all originals and known copies of all such drawings, calculations and records are delivered to Borrower on or before closing. In the event that any such original drawing(s), calculation(s) or record(s) remain in the possession of Norfolk Southern or any affiliated company at closing, Borrower shall obtain the same from Norfolk Southern, using Borrower's best efforts.

(s) The rights to use the telephone numbers used by the Borrower in the operation of the lines.

(t) All deposits or prepayments on future services, demurrage, prepayment of freight or switching, demurrage, detention or other similar charges, and including all pre-paid rents under any lease, license, crossing or other similar agreements, or any other "customer payment whatsoever under any of the agreements, contracts, leases, licenses contemplated herein to be transferred to Borrower, including without limitation all such customer, lessee or license deposits and prepayments made on or before the date of this Agreement.

(u) All rents received or otherwise in the possession of Borrower for any lease, license, crossing, easement or other similar agreement.

(v) All maintenance and repair records of the Borrowers, including all contracts, agreements, correspondence, records, invoices or other materials relating to the performance of any such maintenance or repairs by any "outside" contractor or party or any supplier of any parts or materials for such maintenance or repairs.

SCHEDULE I
LIST OF EQUIPMENT, ETC.

LOCOMOTIVE ROSTER

Unit No.*	Manufacturer/ Model	H.P.	Built	Status
221	EMD SW-1200	1200	1957	In Service
223	EMD SW-1200	1200	1955	In Service
303	EMD GP-20	2000	1960	In service as No. 203
310	Alco C-420	2000	1964	In service
315	Alco C-420	2000	1966	In service
325	Alco C-425	2500	1965	In service
327	Alco C-425	2500	1966	OSS
332	Alco C-420	2000	1967	In service
334	Alco C-420	2000	1967	In service
338	Alco C-420	2000	1965	In service
342	EMD GP-7U	1500	1981-R	OSS
343	EMD GP-7U	1500	1981-R	OSS
344	EMD GP-7U	1500	1981-R	In service
OHCR 2393	EMD GP-35	2500		Control Blue
345	EMD GP-7U	1500	1981-R	In service
OHCR 2357	EMD GP-35	2500		Control Blue
371	EMD GP-35	2500	1965	In service
373	EMD GP-35	2500	1965	In service
442	Alco RSD-15	2400	1958	In service
443	Alco RSD-15	2400	1958	In service

R - Rebuild date

Notes: Cannibalized for parts, stored as:

OSS - out-of-service

* - All unit I.D.s with "IHCR" pre-fixes, except as noted.

Revised

RUBBER TIRE EQUIPMENT

ASSET	MAKE	MFG. OR OTHER ID#	DESCRIPTION/STATUS
Tractors, Backhoe, Forklifts:			
MV85001	M/V	114983	Massey Ferguson tractor and 3-point mower attachment
MV89001	CASE	8953319	Forklift
MC91001	CASE	9868605	Model 580E backhoe/loader with reg. and tie inserter buckets
MV92001	CASE	17039375	Model 580E backhoe/loader with re. and tie inserter buckets
MV83500	CASE	RM 500 Model	Model 580C backhoe/loader, OSS
MV87580	CASE	(TMA #215)	Model 580C backhoe/loader
(TMA #219)	CASE	Model 584	Hi-Lift Tractor
Vehicles - Heavy Duty:			
VH75001	FORD	U81DVX12344	Block Truck LT-80
VH76002	FORD	F70EVB88595	Flatbed Truck
Vehicles - Light Duty:			
VL84003	FORD	IFTRF25G6ELA82425	F250 pickup truck
VL89005	FORD	1FA8P55USKA273242	Taurus Wagon, white, OSS
VL9007	DODGE	1B7JE26Y7LS709502	D250 pickup truck
VL90007	DODGE	JB7FL29W6LP030460	RAM 50 pickup truck
VL91002	FORD	KNJPT05116M6113729	2-Door Festiva

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VL92007	GMC	IGKMD15Z3NB550411	Safari Van, white
Vehicles - licensed road/rail (all by-rail equipped):			
VR79003	INTERNAT'L	AA192JCA17608	Boom/dump truck
VR79004	INTERNAT'L	AA192CA17628	Boom/dump truck
(TMA #144)	FORD	1FDJIE37G5CHB05370	Flatbed, tool side truck
VR92001	FORD	1FTHF25H4NLA15201	F250 pickup truck
VR92004	GMC	1GTGC24K8NE504948	Sierra 2500 pickup truck
VR93002	FORD	1FTHF25H1PNA52360	F250 pickup truck
VR93003	GMC	1GTGC24K9PE554485	Sierra 2500 pickup truck
VL90001	FORD	1FTEF25N8LNA140459	F250 pickup truck - Signal truck
VL90005	FORD	1FTCR14T2LPA67482	Ranger, small pickup truck
VR82003	FORD	1FDHE37G5CHB05370	truck
Trailers:			
VS86003	CZE	CZ12308617	Phillips, Yellow HD trailer
VS92001	ASM	MVIN96560IND	White trailer, car hauler
VS940	TRAIL KING	1TKC02425RM026452	10 ton trailer

REVISED
LIST # 2
RAIL CAR FLEET

CAR NUMBER*	CAR TYPE	CONTENT/STATUS
302	CABOOSE	friction bearing
GSOR 303	CABOOSE	
GSOR 304	CABOOSE	
305	CABOOSE	
910	OPEN HOPPER	N of W
911	OPEN HOPPER	N of W
912	OPEN HOPPER	N of W
900	OPEN HOPPER	N of W
904	OPEN HOPPER	N of W
960	GONDOLA	N of W
961	GONDOLA	N of W
1003	FLAT	N of W
Sou 36917	Boxcar	Stationary
NW 327146	TOOL CAR/ WORK CABOOSE	N of W - Stationary
1301	50' BOXCAR	Equipped w/bulkheads
66000	60' BOXCAR	
66001	60' BOXCAR	
66002	60' BOXCAR	

* - all with IHRC pre-fixes, unless otherwise noted

Maintenance of Way - "On Track" Equipment

<u>I.D. Number</u>	<u>Description</u>	<u>Model/Status</u>
MR92002	TAMPER	Model EJB
MR81003	BALLAST REGULATOR	KERSHAW 26-1-12, OSS
MR92003	LINER	RMC-AX, OSS
(TMA #225)	SPEEDER	FAIRMONT, IGC 9063
MT89003	WEED SPRAYER UNIT	AS-MADE, SNYDER ENDS., truck mountable
MV87001	TRACK MOBILE	Model TM-7, OSS

note: OSS - indicated out-of-service, not operational.

MAINTENANCE TOOLS (NOT HAND):

<u>ASSET ID No.</u>	<u>DESCRIPTION</u>	<u>COMMENT/STATUS</u>
MT86001	NOTSEY	Connersville, OSS
MT87002	RAIL SAW	Model TK8368, OSS
MT87003	RAIL DRILL	
MT88001	RAIL SAW	RACINE MFG.
MT89002	LOCOMOTIVE SANDER	TOPPER MFG.
MT89003	WEED SPRY UNIT	
MT89005	RAIL DRILL	
MT89006	ELECTRIC WELDER	LINCOLN, Model AC-225S
MT90002	GAS WELDER	LINCOLN, Model WP225G7
(TMA # 247)	WEED WACKER	Ser. No. A1172910
(TMA # 246)	LAWN TRACTOR/MOWER	STIHL, Model FS66
		SEARS/CRAFTSMAN Model
		"11" Cat. No. 1917.
		254750, Ser. No.
		031892#003044
(TMA # 240)	HYDRALLIC FLOOR JACK	Auto, Orange
(TMA # 238)	BENCH GRINDER	MAKITA Model 5080
(TMA # 237)	GAS POWR'D CHAINSAW	HOMELITE Model XL,
		Ser. No. HM3090790, OSS
(TMA # 226)	HYDRALLIC PRESS/BREAK	30-Ton, CAROLINA,
		Model CP100, 25711
(TMA # 158)	ELE. BENCH GRINDER	CENTRAL MACHINE
(TMA # 174) MT92001	H. Duty Locomotive Jack	Red, wheeled
Note: OSS - out of service, not operational.		
(TMA # 175) MT92002	H. Duty Locomotive Jack	Blue, wheeled
MT 89001	Stationary Air Compressor	Model AC-225-S, Code 8370-010
TE 89001	Lincoln arc welder	
(TMA # 059)	Briefcase voltage tester	Model 5210, EV-3 1023
(TMA # 193)	re-rail frog	
(TMA # 194)	re-rail frog	
(TMA # 181)	part washer	
(TMA # 236)	Locomotive sander	Blue w/ Red top
(TMA # 241)	Locomotive access work stand	Yellow
(TMA # 246)	Craftsman "11" Lawn Tractor	Model 917.254750
(TMA # 247)	Stihl Gas weed wacker	Ser # 031892#500344
TMA # 237	Homelite chain saw	F 566

INDIANA HI-RAIL CORP.
RADIO INVENTORY

Radio	Serial Number	Type
<u>Vehicle</u>		<u>Regency</u>
Vehicle Radio	41A54214	Regency
VR 79003	426FNG3204	.
VL 90006	41A46697	.
VL 94001	305050056	.
VR 92009	681A16873	.
VR 79004	41454603	.
VR 93003	41A41638	.
VR 92001	681A08089	.
VL 90003	41A52321	.
VR 93002	681A13778	.
VR 93004	881A9788	.
VL 92008	306A13875	.
VL 92006	681A08366	.
VL 93002	309A14802	.
VL 93001	681A00113	.
VH 75001	309A13742	.
VL 91004	309A14882	.
Unassigned	309A14141	.
	41A47505	.
	41A39069	.
	251A17481	.
	309A14289	.
	Shoo	.
Defiance Yard Office	681A6660	Regency
Vehicle Radio	com h 44b	.
Olney Yard Office	No#	.
Connersville Yd Office	No#	Regency
Vehicle Radio	300-A 14673, 600-699-2	Astron
Radio Equipment	RS-20A	
<u>Hand Radio</u>		

HT 90	47GANG1507	REL1	003827
-	47GAJ0132X	-	005232
-	15E05169503	-	005221
-	15E05169J03	-	003827
-	NTN7433A	-	005235
HT 500	65!A0G1114	HT 92	#6
-	55A0G1115		
-	55!AP01050		
-	65APU1837		

Hand radio charger NTN 4633bn+

" " " NTN 76455a

" " " NTN 45?? 9002

Hand Radio part 110N

(4) Hand Radio batteries

Motrola #5

" #3

" #4

Motrola (Tm # 094/102)

Motrola

ACCOUNTING OFFICE

- (6) 4-Drawer File Cabinets
- (1) 5-Drawer File Cabinet
- (2) Desks with overhead credenza
- (2) Printer Stands
- (1) Metal Storage Cabinet
- (1) 6-Section Binder Storage
- (2) Arm Chairs (swivel)
- (1) Rolling File Bin
- (2) 10-Key Calculators
- (1) ~~Dot Matrix Printer LQ-1070 Epson~~
- (1) ~~Dot Matrix Printer KX-1624 Panasonic~~
- (3) Pentium PC's (Desktop)

COPY/FAX ROOM

- (1) HP Fax 310
- (1) Canon Faxphone B550
- (1) Copier: Savin 9180
- (1) Copies Storage Cabinet
- (2) Desks
- (1) Printer Stand
- (2) 5-Shelf Book Cases
- (1) 3-Shelf Book Case
- (1) Open Shelving Storage Unit
- (1) Storage Cabinet
- (1) Dot Matrix Printer FX-286
- (1) Dot Matrix Printer FX-1050

STORAGE ROOM

- (2) 2-Drawer File Cabinets
- (1) 2-Drawer File Safe Cabinet
- (1) Desk
- (5) 4-Drawer File Cabinets
- (2) 5-Drawer File Cabinets
- (1) Storage Cabinet
- (5) Open Storage Shelving Units
- (1) Arm Chair (Swivel)

JRO OFFICE

- (1) Bookshelf with lower cabinet
- (1) 2-Shelf Bookcase
- (1) Printer Stand
- (1) Desk with Wing
- (1) 2-Drawer File Cabinet
- (1) Credenza
- (2) Guest Chairs
- (1) Arm Chair Swivel

JDP OFFICE

- (1) Desk
- (1) Arm Chair (Swivel)
- (1) 2-Drawer File Cabinet
- (4) Five-Drawer File Cabinets
- (1) Printer Stand

JAY OFFICE

- (1) 5-Shelf Bookcase
- (1) 2-Shelf Bookcase
- (1) Folding Table
- (2) Guest Chairs
- (1) Desk
- (1) Arm Chair (Swivel)

GPB OFFICE

- (3) 4-Drawer File Cabinets
- (1) 2-Shelf Bookcase
- (2) 5-Shelf Bookcase
- (2) Guest Chairs
- (1) Arm Chair (Swivel)
- (1) Folding Table
- (1) Desk
- (1) Credenza
- (1) Small Metal Locker
- (1) Grease Board

RFU OFFICE

- (5) 4-Drawer File Cabinets
- (1) Bookshelf with lower cabinet
- (1) 5-Shelf Bookcase
- (1) Round Conference Table
- (1) Desk
- (1) Arm Chair (Swivel)
- (2) Guest Chairs
- (1) Printer Stand

CONFERENCE ROOM

- (1) Green Wooden Cabinet
- (1) Folding Conference Table
- (3) Grease Boards
- (1) Coffee Maker
- (1) Refrigerator
- (1) Open Shelf Storage Cabinet
- (1) Microwave Oven

RECEPTION AREA

- (2) Metal Desks
- (2) Printer Stands
- (2) Guest Chairs
- (2) Secretarial Chairs
- (1) Typewriter Xerox 605
- (1) Postage Meter (Rented)
- (1) Postage Scale (Rented)
- (1) Small Magazine Rack
- (1) ~~HP 310 Laser Printer~~

OUTSIDE STORAGE

- (1) Desk

OTHER

- (1) Telephone System Norstar

PERSONAL COMPUTER INVENTORY -- ACTIVE EQUIPMENT

05-Mar-97

486-DX	486-SX	486-SX	486-SX	386-SX	486-DX	386-SX	386-SX
16 MB	4 MB	8 MB	5 MB	8 MB	8 MB	4 MB	4 MB
1 GB	580 MB	750 MB	500 MB	85 MB	300 MB	40 MB	40 MB
5.25	3.5 / 5.25	3.5 / 5.25	3.5	3.5 / 5.25	3.5	5.25	5.25
6.22	6.22	33	6.22	5.00	6.22	6.22	6.22
N	3.11	3.11	3.11	N	3.11	N	N
N	Y	Y	Y	N	Y	N	N
N	2400	N	EXT 1200	N	14400	N	9600
N	LASERJET	DESKJET	DOT MATRIX	DOT MATRIX	DOT MATRIX	DOT MATRIX	DOT MATRIX

Other:

1 PC 3810 Plotter

1 Teledyne, printer/plotter - model mark III (TMA #220) - South office

SOFTWARE -

Ralcar Management Software (in computer system and in stack disks in Accounting area)

Right Hand Man Software (in computer system and in Fax area)

Novell Network Software (in computer system and in FAX area)

MAS90 Accounting Software (in computer system and in Accounting area)

4 Set of IRES Software

and all other office equipment, supplies, parts, tools,
fixtures not otherwise listed.

SCHEDULE II
LEGAL DESCRIPTION

Wabash Central Railroad Corporation
Defiance Line
Huntington County, Indiana

All those strips, pieces or parcels of land situate, lying and being in Section 24, Section 23, Section 22, Section 21, the South Half and Northeast Quarter of Section 20, the Southeast Quarter of Section 19, and the North Half and Southwest Quarter of Section 30, Township 26 North, Range 10 East; the Southeast Quarter of Section 25, and the North Half and Southwest Quarter of Section 36, Township 26 North, Range 9 East, Huntington County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the east by the common line between Wells County and Huntington County, Indiana, said line crossing the original centerline of said main track at Railroad Valuation Station 6990+10, more or less (approximate Milepost Location 132.4), and bounded on the west by the common line between Huntington County and Grant County, Indiana, said line crossing said original centerline of main track at Railroad Valuation Station 7417+82, more or less (approximate Milepost Location 140.5), containing 70 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0039-R1 (Sheets 1 through 5, inclusive, of 5), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

Maumee & Western Railroad Corporation
Defiance Line
Henry County, Ohio

All those strips, pieces or parcels of land situate, lying and being in the West Half of Section 30, Township 6 North, Range 8 East; the South Half of Section 25, the Northwest Quarter of Section 36, the North Half and Southwest Quarter of Section 35, and the South Half of Section 34, Township 6 North, Range 7 East; the Northwest Quarter of Section 3, the North Half and Southwest Quarter of Section 4, the South Half of Section 5, the Northwest Quarter of Section 8, and Section 7, Township 5 North, Range 7 East; the Southeast Quarter of Section 12, the North Half of Section 13, the South Half and Northeast Quarter of Section 14, the Northwest Quarter of Section 23, the North Half and Southwest Quarter of Section 22, the South Half of Section 21, the Northwest Quarter of Section 28, the North Half and Southwest Quarter of Section 29, the South Half of Section 30, and the North Half of Section 31, Township 5 North, Range 6 East; all lying in Henry County, Ohio, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by a line perpendicular to the original centerline of said main track at Railroad Valuation Station 1463+79 (Railroad Milepost Location T-28.00), and bounded on the west by the common line between Henry County and Defiance County, Ohio, said line being the west line of Section 31, Township 5 North, Range 6 East, and also crossing said original centerline of main track at Railroad Valuation Station 2212+39.6, more or less, containing 175 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 1 through 8, inclusive, of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Wabash Central Railroad Corporation
Bluffton Line

County of Wells, State of Indiana, to-wit:

PARCEL ONE

All those strips, pieces or parcels of land situate, lying and being in the Southwest Quarter of Section 20, the Northwest Quarter of Section 30, and the South Half of Section 19, Township 27 North, Range 13 East; the West Half and Northeast Quarter of Section 25, the South Half of Section 26, the Northwest Quarter of Section 35, Section 34, and the South Half of Section 33, Township 27 North, Range 12 East, Wells County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the northeast by the easterly line, as extended, of that property described in a deed from Peter Hetrick and Catherine Hetrick, his wife, to the Toledo, Delphos & Burlington Railway Company, dated December 27, 1879, recorded in Deed Book 7, Page 447, Wells County, Indiana Records; said easterly line, as extended, crossing the original centerline of said main track at Railroad Valuation Station 6219+32 (approximate Railroad Milepost 117.6) and bounded on the west by the easterly right of way line for Norfolk and Western Railway Company's main track (former The Lake Erie and Western Railroad Company main track) as it runs between Muncie and Fort Wayne, Indiana, said right of way line being 34.5 feet eastwardly from, as measured normal to, the centerline of last said main track, and crossing the centerline of Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana at Railroad Valuation Station 6492+52, more or less, containing 38 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0037-R1 (Sheets 1 through 4, inclusive, of 4), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

PARCEL TWO

All those strips, pieces or parcels of land situate, lying and being in the Southwest Quarter of Section 4, the Southeast Quarter of Section 5, the North Half of Section 8, the North Half and Southwest Quarter of Section 7, Township 26 North, Range 12 East; the South Half of Section 12, the Northwest Quarter of Section 13, the North Half and Southwest Quarter of Section 14, the South Half of Section 15, the Northwest Quarter of Section 22, the North Half of Section 21, the North Half of Section 20, and the North Half of Section 19, Township 26 North, Range 11 East, Wells County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the east by a line normal to the original centerline of said main track at Railroad Valuation Station 6536+64 (Milepost Location 123.80) and bounded on the west by the common line between Wells County and Huntington County, Indiana, said line crossing said original centerline of main track at Railroad Valuation Station 6990+10, more or less (approximate Milepost Location 132.4), containing 126 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0038-R1 (Sheets 1 through 6, inclusive, of 6), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Wabash Central Railroad Corporation
Bluffton Line

County of Grant, State of Indiana, to-wit:

All those strips, pieces or parcels of land situate, lying and being in the East Half and Southwest Quarter of Section 2, the Northwest Quarter of Section 11, the East Half and Southwest Quarter of Section 10, the Northwest Quarter of Section 15, and the North Half of Section 16, Township 25 North, Range 9 East, Grant County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the east by the common line between Huntington County and Grant County, Indiana, said line crossing the original centerline of said main track at Railroad Valuation Station 7417+82, more or less (approximate Milepost Location 140.5), and bounded on the west by a line perpendicular to said original centerline of main track at Railroad Valuation Station 7616+91 (Milepost Location 144.20), containing 39 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0040-R1 (Sheets 1 through 3, inclusive, of 3), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

Maumee & Western Railroad Corporation
Defiance Line

County of Allen, State of Indiana,

to-wit:

All those strips, pieces or parcels of land situate, lying and being in Fractional Section Quarter, the South Half of Section 15, the Northwest Quarter of Section 22, the North Half and Southwest Quarter of Section 21, and the South Half of Section 20, Township 31 North, Range 15 East, Allen County, Indiana; being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by the common line between the states of Indiana and Ohio, said line crossing said original centerline of main track at Railroad Valuation Station 3985+81, more or less, being bounded on the west by a line perpendicular to said original centerline of main track at Railroad Valuation Station 4158+30 (Railroad Milepost Location T-79.00), containing 40 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 22 and 23 of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Defiance Line
Defiance County, Ohio
Maumee & Western Railroad Corporation

All those strips, pieces or parcels of land situate, lying and being in the East Half and Southwest Quarter of Section 36 and the Southeast Quarter of Section 35, Township 5 North, Range 5 East; the North Half of Section 2, the East Half and Southwest Quarter of Section 3, the Northwest Quarter of Section 10, the North Half and Southwest Quarter of Section 9, the South Half of Section 8, the Northwest Quarter of Section 17, and Section 18, Township 4 North, Range 5 East; the Southeast Quarter of Section 13, the North Half of Section 24, the East Half and Southwest Quarter of Section 23, the North Half of Section 26, the East Half and Southwest Quarter of Section 27, the South Half of Section 28, the Northwest Quarter of Section 33, the North Half and Southwest Quarter of Section 32, and the East Half and Southwest Quarter of Section 31, Township 4 North, Range 4 East; and the Southeast Quarter of Section 36, Township 4 North, Range 3 East; all lying in Defiance County, Ohio, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by the common line between Henry County and Defiance County, Ohio, said line being the east line of said Section 36, Township 5 North, Range 5 East, and also crossing said original centerline of main track at Railroad Valuation Station 2212+39.6, more or less, and bounded on the west by the common line between Defiance County and Paulding County, Ohio, said line being the south line of said Section 36, Township 4 North, Range 3 East, and also crossing said original centerline of main track at Railroad Valuation Station 2967+80, more or less, containing 175 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 8 through 15, inclusive, of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Maumee & Western Railroad Corporation
Defiance Line
Paulding County, Ohio

All those strips, pieces or parcels of land situate, lying and being in the North Half of Section 1, the North Half and Southwest Quarter of Section 2, the East Half and Southwest Quarter of Section 3, the South Half of Section 4, the North Half of Section 9, the North Half and Southwest Quarter of Section 8, and the East Half and Southwest Quarter of Section 7, Township 3 North, Range 3 East; the Southeast Quarter of Section 12, the North Half of Section 13, the North Half and Southwest Quarter of Section 14, the North Half of Section 15, the Southeast Quarter of Section 16, the North Half of Section 21, the North Half and Southwest Quarter of Section 24, the North Half of Section 25, the North Half and Southwest Quarter of Section 26, the South Half of Section 27, the Southeast Quarter of Section 28, the North Half of Section 33, and the East Half and Southwest Quarter of Section 32, Township 3 North, Range 1 East; the West Half of Section 5, the South Half of Section 6, and the Northwest Quarter of Section 7, Township 2 North, Range 1 East, all lying in Paulding County, Ohio, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by the common line between Defiance County and Paulding County, Ohio, said line being the north line of said Section 1, Township 3 North, Range 4 East, and also crossing said original centerline of main track at Railroad Valuation Station 2967+80, more or less, and bounded on the west by the common line between the states of Indiana and Ohio, said line crossing said original centerline of main track at Railroad Valuation Station 3985+81, more or less, containing 235 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 15 through 21, inclusive, of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

RMW Ventures, Lower Connersville Line
Fayette County, Indiana and
Wayne County, Indiana
C&N Railroad Corporation

ALL THAT Certain piece, strip or parcel of land, together with track and appurtenances thereon, situated partly in the City of Connersville, Fayette County, and partly in the City of Beeson, Wayne County, State of Indiana, being a portion of the right of way of railroad of Consolidated Rail Corporation (formerly Cleveland, Cincinnati, Chicago and Saint Louis Railway Company) known as the White Water Running Track, and identified as Line Code 8345 in the records of the United States Railway Association, being all that real property lying in, under, above and along, continuous to adjacent to that part of the Railroad lying between the following two (2) described lines;

BEGINNING 1) a line drawn at right angles to center line station 3643+58, being the existing lateral cut line between Indiana Hi-Rail Corporation and Whitewater Valley Railroad Company M. P. 69.0 in Fayette County, Indiana and extending 2) to the line dividing the Northwest quarter of the Northeast quarter and the Southwest quarter of the Northeast quarter of Section 25, T15N, R12E, Wayne County as indicated by "PS" on Grantor's Case Plan Number 66391, Sheets 1 through 6 which are incorporated in Deed Record 04918, filed January 16, 1982, at book Record 417, Page 321 in the in the Office of the Recorder of Fayette County, Indiana.

BEING portions of the same premises which George W. Betz, Jr., as trustee of the property of the Cleveland, Cincinnati, Chicago and Saint Louis Railway Company, Debtor, by Conveyance Documents Number CCC&StL-CRC-RP-36, dated March 29, 1976 and recorded October 11, 1978 in the Recorder's Office of Fayette County, Indiana in Book 79 at page 62 &c (Instrument Number 107162); and by Conveyance Document Number CCC&StL-CRC-RP-61, dated March 29, 1976 and recorded October 25, 1976 in the Recorder's Office of Wayne County, Indiana in Book 400 at page 366 &c (Instrument 7896); granted and conveyed unto Consolidated Rail Corporation.

SUBJECT, however, to (1) whatever rights the State of Indiana, Local Municipalities and public may have to use any roads, streets, alleys or ways which may cross the hereinbefore described premises; (2) any streams or water ways passing under, over, across or through the hereinbefore described premises; and (3) any easements or agreements of record or otherwise affecting the land hereby conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing or remaining in, on, under, over, across and through the herein conveyed premises, together with the right to maintain, repair, renew, replace, use and remove the same.

EXCEPTING THEREFROM: Property heretofore conveyed to Whitewater Valley Railroad Company, and Indiana Not-for-Profit Corporation, by deed dated February 20, 1990 and recorded the ____ day of _____, _____ at Deed Record _____, Page _____ in the Office of the Recorder of Fayette County, and more particularly described as follows:

ALL THAT CERTAIN piece, strip or parcel of land, together with track and appurtenances thereon, Situated partly in the City of Connersville, Fayette County, and partly in the City of Beeson, Wayne County, State of Indiana, being a portion of the right of way or railroad of Consolidated Rail Corporation (Formerly Cleveland, Cincinnati and Chicago & St. Louis Railway Company) known as the White Water Running Track, and identified as Line Code 8345 in records of the United States Railway Association, being all that real property lying in under, above, along, continuous to and adjacent to that part of the Railroad lying between the following two (2) described lines:

BEGINNING 1) a line drawn at right angles to center line station 3581+80, being the existing lateral cut line between Consolidated Rail Corporation and Whitewater Valley Railroad Company MP 67.9 in Fayette County, and extending 2) to a line drawn at right angles to center line station 3643+58, MP 69.0 in Fayette County, IN.

SCHEDULE III
OPERATING AGREEMENTS

1. Box car lease on Ford cars from GE and lease for 14 covered Hopper cars.
2. All railroad crossing agreements including but not limited to the Crossing Agreement with CSX at Defiance, Ohio and the Crossing Agreement with the Indiana & Ohio Railroad at Liberty Center, Ohio.
3. All leases, licenses or agreements with third parties.
4. Trackage Rights Agreement with the Whitewater River Valley Railroad and CSC at Connersville, Indiana.
5. Joint Facilities Agreements and interlocking agreements for CSX at Defiance, Ohio and the Indiana & Ohio Railroad at Liberty Center, Ohio.
6. Joint Facilities Agreement at Connersville, Indiana.
7. All sidetrack agreements.
8. Transportation Contracts, including but not limited to, that of Coughlin Corporation.

SCHEDULE IV
ASSIGNED AGREEMENTS

28 Feb 98

MULTI
JR SINO AGRM

		LESSEE	ANNUAL RATE	NEW RATE	ANNIV DATE	BILLED THRU	COMMENTS (ES/CANCEL)	AGRM MONTHS	FEB 26 REMAINING MOS TO PRORATE	PRORATED REVENUES	UNCOLLECTED REVENUES	PRORATED UNCOLLECTED REVENUES	NET PRORATED REVENUES
BL	89001	Helena Chemical	1,448.00		Apr 1	01-Apr-98 04/01/1998		12		120.67	(1,448.00)	(120.67)	0
BL	89004	Jones Specialink	40.00	1,000.00	Apr 15	15-Apr-2004 04/15/2005	10-yr Term	120	85	MUL TI			0
BL	89005	City of Bluffton	100.00		Aug 1	01-Aug-98 08/01/1998		12		50.00			50
BL	89006	City of Bluffton	200.00		May 15	15-May-98 05/15/1998		12		33.33			33.33
BL	89007	City of Bluffton	100.00		Sep 1	01-Jan-94 09/01/1998		12		58.33			58.33
BL	89008	City of Bluffton	100.00		Dec 28	01-Jan-94 12/28/1998		12		83.33			83.33
BL	89013	Northern Ind. Pub Svc	100.00		Jul 27	27-Jul-87 07/27/1998	Cancelled - Removed	12		41.67	(600.00)	(41.67)	0
BL	89014	Huntington Co. Co-op	50.00		Oct 1	01-Jan-94 10/01/1998		12		16.67			16.67
BL	89015	Mich/Wisc Pipeline Co.	100.00		Apr 27	27-Apr-98 04/27/1998	Esc. based on rate	12		0.00	(950.00)		0
BL	89017	United Telephone	100.00		Feb 1	01-Feb-94 02/01/1994		12		58.33	(211.38)		58.33
BL	89021	Mich/Wisc Pipeline Co.	100.00		Sep 15	01-Jan-94 09/15/1998		12		16.67	(16.67)		0
BL	89024	Town of VanBuren	100.00		Apr 18	18-Apr-98 04/18/1998		12		20.00	(48.00)		0
BL	89027	Central Soya Co.	48.00		Jul 29	29-Jul-98 07/29/1998		12		1.33	(8.00)		0
BL	89028	Central Soya Co.	8.00		May 7	07-May-98 05/07/1998		12		10.00	(20.00)		0
BL	89029	Central Soya Co.	20.00		Aug 30	01-Jan-94 08/30/1998		12		2.08	(25.00)		0
BL	89030	Central Soya Co.	25.00		Apr 1	01-Apr-98 04/01/1998		12		7.50	(10.00)		0
BL	89031	Central Soya Co.	10.00		Dec 1	01-Jan-94 12/01/1998		12		MUL TI			0
BL	89032	Orblion Products, Inc.	50.00		Dec 18	01-Jan-94 12/18/1998	Cancel - Vacated Property	120	85	MUL TI			0
BL	89037	West Ohio Gas Co.	100.00	1,000.00	Mar 25	25-Feb-2005 03/25/2005	10-yr term	12		58.33	(301.38)	(41.67)	58.33
BL	89042	Dayton Power & Light Co	100.00		Sep 20	01-Jan-94 09/20/1998		12		50.00	(2,480.92)	(50.00)	0
BL	89041	City of Delphos	200.00		Jul 1	07-Jul-87 07/07/1998	Esc. Based on Rate	12		MUL TI			0
BL	89041	City of Delphos	225.00	2,250.00	Sep 1	01-Jan-94 09/01/2004	10-yr term	120	78	MUL TI			0
BL	89003	City of Bluffton	200.00		Jul 18	18-Jul-87 07/18/1998	10% Esc/yr	12		91.67			91.67
BL	89004	City of Bluffton	200.00		Jul 18	18-Jul-87 07/18/1998	10% Esc/yr	12		91.67			91.67
BL	89005	City of Bluffton	200.00		Jul 18	18-Jul-87 07/18/1998	10% Esc/yr	12		91.67			91.67
BL	89012	Village of Fort Jennings	2,000.00		Aug 28	01-Jan-94 Permanent	One-Time Fee	12		8.33			8.33
BL	89008	Randy J. Harsh	100.00		Mar 15	15-Mar-98 03/15/1998		120	38	MUL TI			0
BL	89010	Indiana Bell (Ameritech)	100.00		Apr 24	24-Apr-2001 04/24/2001	10-yr Term	120	41	MUL TI			0
BL	89011	Indiana Bell (Ameritech)	100.00		Jul 15	15-Jul-2001 07/15/2001	10-yr Term	120		MUL TI			0
BL	89012	Indiana Bell (Ameritech)	100.00		Aug 10	10-Aug-2001 08/10/2001	10-yr Term	120		MUL TI			0
BL	89037	City of Delphos, OH	0.00		Mar 21	01-Jan-94 3/21/1998	No Fee	12		25.00	(100.00)	(25.00)	0
BL	89001	RODOC Leasing Sales &	0.00		Mar 13	13-Mar-98 03/13/1998	No Fee	12		28.94	(110.25)	(28.94)	0
BL	89002	Village of Ohio City	0.00		May 21	21-May-98 05/21/1998	No Fee	12		28.94	(110.25)	(28.94)	0
CV	81001	Civille Utilities	100.00		Jun 1	12-Jun-98 06/12/1998		12		25.00			25.00
CV	81002	Civille Utilities	100.00		Jun 1	25-Feb-2005 03/25/2005	10-yr term	120	85	MUL TI			0
CV	81003	Civille Utilities	110.25	115.78	Jun 1	12-Jun-98 06/12/1998	5% Inc/4-yr-8/298/2000	12		28.94	(110.25)	(28.94)	0
CV	81005	Civille Utilities	110.25	115.78	Jun 1	12-Jun-98 06/12/1998	5% Inc/4-yr-8/298/2000	12		28.94	(110.25)	(28.94)	0
CV	81006	Civille Utilities	110.25	115.78	Jun 1	01-Jun-98 06/01/1998	5% Inc/4-yr-8/298/2000	12		28.94	(110.25)	(28.94)	0
CV	81008	Goodman Diversified	100.00		May 1	01-May-97 05/01/1997	Cancelled - Gone	12		41.67	(50.00)	(41.67)	0
CV	81019	State Farm Insurance	50.00		Dec 17	01-Jan-94 12/17/1997		12		86.82	(110.25)	(86.82)	0
CV	81021	Civille Utilities	110.25	115.78	Dec 1	01-Jun-94 12/01/1998	5% Inc/4-yr-8/298/2000	12		38.59	(110.25)	(38.59)	0
CV	81024	Civille Utilities	110.25	115.78	Nov 1	23-Jun-98 09/23/1998	5% Inc/4-yr-8/298/2000	12		16.67			16.67
CV	81028	Village of Ohio City	200.00		Apr 1	06-Apr-98 04/06/1998	No Fee	12		175.00			175.00
CV	81031	Village of Ohio City	200.00	0.00	Oct 28	01-Jan-94 10/28/1993	Cancelled 498 add to Lakeside Welding	12		521.15	(287.18)	(287.18)	521.15
CV	81031	Village of Ohio City	200.00	0.00	Oct 28	01-Jan-94 10/28/1993	5% Esc / 3 yrs	12		267.18			267.18
CV	82002	Preferred Risk	300.00	350.00	Sep 1	01-Jan-94 09/01/1998	10% increase/yr	12		134.21	(500.00)	(416.67)	134.21
CV	82016	National Advertising	850.98	893.40	Oct 1	01-Jan-94 10/01/1998	10-yr term	12		416.67			416.67
CV	83018	WFLA, Inc. (World Com)	267.18		Feb 1	01-Feb-98 02/01/1998	Cancelled - Sign Removed	120	60	MUL TI			0
CV	83023	Sammmons (Marcus Cahn)	292.82	322.10	Aug 1	01-Aug-97 08/01/1998	Renewal must be renegot	12		116.67			116.67
CV	83035	Civille Utilities	200.00	2,000.00	May 1	01-May-2004 05/01/2004	\$50 Inc/3 yrs.	12		524.00			524.00
CV	84042	Daum's Dairy Mart	500.00		Dec 30	01-Jan-94 12/30/1997	10-yr Term	120	75	MUL TI			0
CV	83012	Bruce Wells	440.00	464.00	Feb 1	01-Feb-98 02/01/1998	10-yr Term	12		52.08			52.08
CV	83014	Porter Poster Svc.	45,000.00		Mar 1	01-Mar-2003 03/01/2003	Cancelled - Sign Removed	120	14	MUL TI			0
CV	89001	Lake Welding & Sign	250.00	300.00	May 1	01-May-98 05/01/1998	Renewal must be renegot	12		116.67			116.67
DF	89047	Allen Co. Co-op	720.00		Jun 1	01-Jun-98 06/01/1998		12		180.00			180.00
DF	89048	Antwerp Equity Exchange	1,048.00		Aug 18	18-Aug-97 08/18/1998		12		524.00			524.00
DF	89049	Village of Antwerp OH	200.00	1,500.00	Jun 23	23-Jun-98 06/23/1998		12		66.67	(200.00)	(66.67)	0
DF	89050	Ohio Gas Co.	100.00		Jun 4	04-Jun-2004 06/04/2004	10-yr Term	120		MUL TI			0
DF	89051	City of Defiance	125.00		Jul 15	15-Jul-97 07/15/1998		12		52.08			52.08
DF	89055	Cox Communications	250.00		Apr 18	18-Apr-98 04/18/1998		12		41.67			41.67
DF	89056	Times Mirror Cable	100.00		Jun 1	01-Jun-98 06/01/1998		12		25.00	(100.00)	(25.00)	0
DF	89057	Toledo Edison Co.	100.00		Apr 11	11-Apr-98 04/11/1998		12		16.67			16.67
DF	89058	Toledo Edison Co.	350.00		Jun 10	01-Jun-98 01/10/1998		12		281.87	(350.00)	(281.87)	0
DF	89059	Toledo Edison Co.	100.00		Jun 14	14-Jun-98 06/14/1998		12		33.33	(100.00)	(33.33)	0
DF	89061	Arco Pipeline Co.	100.00		Mar 19	19-Mar-98 03/19/1998	Cancelled See DF 89022	12		800.00	(2,160.00)	(600.00)	0
DF	89063	Gerald Grant Center	720.00		Jun 1	01-Jan-98 01/01/1998		12					0

Date: 3/5/98

RE: Check # 0008-13-31/420 dated: 3/3/98 for \$ 462.00

Total cost of Recordation filings: \$ 192.00.

A refund for \$ 270.00 is being done.



Fifth Third Bank
CINCINNATI, OHIO

FIFTH THIRD CENTER

No. 0008 13-31/420

March 3 19 98

PAY TO THE ORDER OF Surface Transportation Board \$ 462.00

Four hundred sixty-two dollars and no cents DOLLARS

PLEASE ENTER ACCOUNT NUMBER HERE

9 9 9 - 4 1 8 3 8

Spencer Wendel

⑆04 20003 14⑆

RECORDATION NO. 21250 FILED

MAR 5 '98

4-53 PM

\$2,600,000 LOAN FACILITY

LOAN AND SECURITY AGREEMENT

among

RMW VENTURES, LLC, BORROWER

and

THE FIFTH THIRD BANK, LENDER

Dated as of February 27, 1998

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This Agreement is entered into as of the 27th day of February, 1998, between RMW Ventures, LLC, an Indiana limited liability company, (the "Borrower") and The Fifth Third Bank, an Ohio banking corporation (the "Bank").

Section 1. Definitions.

1.1 Specific Definitions. The following definitions shall apply:

"Account Debtors" means Borrower's customers and all other persons who are obligated or indebted to Borrower in any manner, whether directly or indirectly, primarily or secondarily, contingently or otherwise, with respect to Accounts or General Intangibles.

"Accounts" means all accounts (whether or not Eligible Accounts), contract rights, instruments, documents, chattel paper, and all obligations in any form arising out of the sale or lease of goods or the rendition of services by Borrower; all guaranties, letters of credit and other security for any of the above; all merchandise returned to or reclaimed by Borrower; and all books and records (including computer programs, tapes and data processing software) evidencing an interest in or relating to the above.

"Acquisition" means the purchase by Borrower of substantially all of the assets of the Purchased Business pursuant to the terms of the Acquisition Agreement.

"Acquisition Agreement" means a certain Agreement of Sale and Purchase by and between Borrower as Buyer and Seller, dated November 22, 1996.

"Affiliate" means, as to Borrower, (a) any person which, directly or indirectly, is in control of, is controlled by or is under common control with, Borrower, or (b) any person who is a director, officer or employee (i) of Borrower or (ii) of any person described in the preceding clause (a). For purposes of this definition, control of a person shall mean (a) the power, direct or indirect, (i) to vote 10% or more of the securities having ordinary voting power for the election of directors of such person or (ii) to direct or cause the direction of the management and policies of such person whether by contract or otherwise, or (b) the ownership, direct or indirect, of 10% or more of any class of equity securities of such person.

"Cash Flow" means earnings before interest, taxes, depreciation and amortization (EBITDA) as determined in accordance with generally accepted accounting principles minus capital expenditures paid for in cash and not financed, scheduled principal payments, interest and taxes.

"Default" means any event that, with the giving of notice or the passage of time, or both, would be an Event of Default.

"Eligible Accounts" means those accounts which are due and payable within ninety (90) days from the date of invoice and are not more than ninety (90) days old measured from the date

of invoice, have been validly assigned to Bank and strictly comply with all of Borrower's warranties and representations to Bank; but Eligible Accounts shall not include the following: (a) Accounts with respect to which the Account Debtor is a shareholder, officer, employee or agent of Borrower, or a corporation more than 5% of the stock of which is owned by any of such persons; (b) Accounts with respect to which the Account Debtor is not a resident of the United States; (c) Accounts with respect to which the Account Debtor is the United States or any department, agency or instrumentality of the United States; (d) Accounts with respect to which the Account Debtor is any State of the United States or any city, town, municipality or division thereof; (e) Accounts with respect to which the Account Debtor is a subsidiary of, related to, affiliated or has common officers or directors with a Borrower; and (f) any Accounts of a particular Account Debtor if Borrower is or may become liable to that Account Debtor for goods sold or services rendered by that Account Debtor to Borrower; (g) any Accounts owed by a particular Account Debtor if more than fifty percent (50%) of total balances of Accounts owed by such Account Debtor are due with respect to invoices more than ninety (90) days old; (h) any Accounts owed by an Account Debtor who does not meet Bank's standards of credit worthiness, in Bank's sole credit judgment exercised in good faith; and (i) any Accounts deemed ineligible by Bank based on such credit and collateral considerations as Bank may deem appropriate.

"Environmental Indemnity" means the Environmental Indemnity, Release and Hold Harmless Agreement of even date from Borrower and Guarantors in favor of Bank.

"Environmental Laws" means all federal, state, local and foreign laws relating to pollution or protection of the environment, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment (including without limitation ambient air, surface water, ground water, or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes, and any and all regulations, codes, plans, orders, decrees, judgments, injunctions, notices or demand letters issued, entered, promulgated or approved thereunder.

"Equipment" means all machinery, machine tools, equipment, fixtures, office equipment, furniture, furnishings, motors, motor vehicles, tools, dies, parts, jigs, goods (including, without limitation, each of the items of equipment set forth on any schedule which is either now or in the future attached to Bank's copy of this Agreement), and all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, and all supplies used or useful in connection therewith.

"Excess Cash Flow" means for any period of determination, a positive amount, determined in accordance with GAAP, if any, equal to that amount of cash earned by of the Borrower's in excess of Cash Flow as defined herein, on a consolidated basis.

"Facility" has the meaning set forth in Section 2.1.

“Funded Indebtedness” means all Indebtedness (i) in respect of money borrowed or (ii) evidenced by a note, debenture (senior or subordinated) or other like written obligation to pay money (including the Subordinated Debt), or (iii) in respect of rent or hire of property under leases or lease arrangements which under Generally Accepted Accounting Principles are required to be capitalized, or (iv) in respect of obligations under conditional sales or other title retention agreements; and shall also include all guaranties of any of the foregoing.

“General Intangibles” means all general intangibles, chosen in action, causes of action, obligations or indebtedness owed to Borrower from any source whatsoever, and all other intangible personal property of every kind and nature (other than Accounts) including without limitation patents, trademarks, trade names, service marks, copyrights and applications for any of the above, and goodwill, trade secrets, licenses, franchises, rights under agreements, tax refund claims, and all books and records including all computer programs, disks, tapes, printouts, customer lists, credit files and other business and financial records, and the equipment containing any such information.

“Guaranties” means the Continuing Guaranty Agreement from Spencer Wendelin, an individual; the Continuing Guaranty Agreement of Transmark Associates, Inc.; and the continuing Guaranty Agreement from C&NC Railroad Corporation, Maumee & Western Railroad Corporation, and Wabash Central Railroad Corporation, jointly and severally.

“Indebtedness” means (i) all items (except items of capital stock, of capital surplus, of general contingency reserves or of retained earnings, deferred income taxes, and amount attributable to minority interest if any) which in accordance with generally accepted accounting principles would be included in determining total liabilities on a consolidated basis (if Borrower should have a Subsidiary) as shown on the liability side of a balance sheet as at the date as of which Indebtedness is to be determined, (ii) all indebtedness secured by any mortgage, pledge, lien or conditional sale or other title retention agreement to which any property or asset owned or held is subject, whether or not the indebtedness secured thereby shall have been assumed (excluding non-capitalized leases which may amount to title retention agreements but including capitalized leases), and (iii) all indebtedness of others which Borrower or any Subsidiary have directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business), discounted or sold with recourse or agreed (contingently or otherwise) to purchase or repurchase or otherwise acquire, or in respect of which Borrower or any Subsidiary has agreed to apply or advance funds (whether by way of loan, stock purchase, capital contribution or otherwise) or otherwise to become directly or indirectly liable.

“Insolvency Event” means, with respect to a person, any of the following: a court enters a decree or order for relief in respect to such person in an involuntary case under any applicable bankruptcy, insolvency or other similar law then in effect, or appoints a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of such person or for any substantial part of its property, or orders the wind-up or liquidation of its affairs; or a petition initiating an involuntary case under any such bankruptcy, insolvency or similar law is filed against

such person; or such person commences a voluntary case under any applicable bankruptcy, insolvency or other similar law in effect, or makes any general assignment for the benefit of creditors, or fails generally to pay its debts as such debts become due, or takes corporate action in furtherance of any of the foregoing.

“Inventory” means any and all goods, supplies, wares, merchandise and other tangible personal property, including raw materials, work in process, supplies and components, and finished goods, whether held for sale or lease, or furnished or to be furnished under any contract for service, and also including products of and accessions to inventory, packing and shipping materials, and all documents of title, whether negotiable or non-negotiable, representing any of the foregoing.

“Letter of Credit” means the letter of credit issued by the Bank on the date of this Agreement in the original face amount of \$600,000, drawn on the account of Borrower to the benefit of the Ohio Rail Development Commission, which is a irrevocable yet declining one year letter of credit, renewable annually upon payment of the letter of credit fee of 1.5%.

“Letter of Credit Note” means the Note attached hereto as Exhibit 2.3 in the original face amount of \$600,000 declining as the outstanding face amount of the Letter of Credit declines from year to year, with the Borrower being the maker and the Bank being the payee, dated the date of this Agreement.

“Letter of Credit Loan” means that loan made by Bank if the Ohio Rail Development Commission ever draws on the Letter of Credit in accordance with the terms of the Letter of Credit.

“Lien” means any security interest, mortgage, pledge, assignment, or voluntary or involuntary lien, charge or other encumbrance of any kind, including interests of vendors or lessors under conditional sale contracts or capital leases.

“Lines” means three short-line railroads consisting of real estate, the improvements thereon and all operating rights and licenses and associated tracks and certain other assets consisting of personal property used in the operation of the short-line railroads which operate generally between New Castle, Indiana and Connersville, Indiana; between Van Buren, Indiana and Craigville, Indiana; and between Liberty Center, Ohio and Woodburn, Indiana.

“Loans” means the Revolving Loans, Letter of Credit Loan and the Term Loan.

“Loan Documents” means this Agreement, the Notes, the Guaranties, the Environmental Indemnity and all mortgages, instruments and documents securing Obligations, all guaranties of Obligations, and all other documents delivered or required, as a condition to the making of any Loan or otherwise, in connection with this Agreement.

"Management Agreement" means that agreement between RMW Ventures, LLC and Transmark Associates, Inc. entered into in connection with the management and operation of the railroad business to be conducted by Borrower, dated as of December 19, 1997.

"Mortgages" have the meaning set forth in Section 3.12.

"Notes" means the Revolving Note, the Letter of Credit Note, and the Term Note.

"Obligation(s)" means all loans (including the Loans described herein), advances, indebtedness and other obligations of Borrower owed to Bank of every description whether now existing or hereafter arising (including those owed by Borrower to others and acquired by Bank by purchase, assignment or otherwise) and whether direct or indirect, primary or as guarantor or surety, absolute or contingent, liquidated or unliquidated, matured or unmatured, whether or not secured by additional collateral, and including without limitation obligations to perform or forbear from performing acts, all amounts represented by letters of credit now or hereafter issued by Bank for the benefit of or at the request of Borrower, and all expenses and attorney's fees incurred by Bank under this Agreement or any other document or instrument related thereto.

"Operating Leases" means the six leases, one each between Borrower as lessor and a corporate Guarantor as lessee, dated the date of closing, in which Borrower leases assets (Equipment Leases for personal property assets and real estate leases for realty) relating to the railroad to such lessee.

"Prime Rate" means the rate of interest per annum announced to be its prime rate from time to time by Bank at its principal office in Cincinnati, Ohio, whether or not Bank shall at times lend to borrowers at lower rates of interest or, if there is no such prime rate, then its base rate or such other rate as may be substituted by Bank for the prime rate.

"Purchased Business" means the Indiana Hi-Rail railroad assets of Seller.

"Seller" means Sagamore National Corporation/Indiana Hi-Rail Corporation.

"Subordinated Creditors" means the junior creditors: State of Indiana, Department of Transportation, the approximate 16 investors putting equity into the Borrower, and, the three Ohio counties guarantying the loan from Ohio Rail Development Commission to Borrower, all with liens junior and inferior to the liens of the Bank.

"Subordinated Debt" shall mean (i) minimum \$1,200,000.00 subordinated financing provided by the Ohio Rail Development Commission to close simultaneously with this Facility, evidenced by documents satisfactory to Bank in Bank's sole discretion, so long as a subordination agreement acceptable to Bank has been signed by guarantors of such loan, being three Ohio counties; (ii) a minimum of \$600,000.00 in shareholder debt investments paid into the Borrower on or before the date of this Agreement from a list of approximately 15 individuals listed on Exhibit A attached

hereto; and (iii) approximate \$800,000.00 loan from State of Indiana, Department of Transportation, to close simultaneously with this Facility, evidenced by documents satisfactory to Bank in Bank's sole discretion, so long as a subordination agreement acceptable to Bank has been signed by such lender.

"Subordinated Indebtedness" means Indebtedness that is subordinated to the Obligations owed to Bank, in a manner satisfactory to Bank in form and substance, including the Subordinated Debt.

"Subsidiary" means any corporation of which Borrower directly or indirectly owns or controls at the time outstanding stock having under ordinary circumstances (not depending on the happening of a contingency) voting power to elect a majority of the board of directors of said corporation.

"Tangible Capital Base" means the sum of the Tangible Net Worth of Borrower, and all Subordinated Indebtedness.

"Tangible Net Worth" shall mean the total of the capital stock (less treasury stock), paid-in surplus, general contingency reserves and retained earnings (deficit) of Borrower and any Subsidiary as determined on a consolidated basis in accordance with generally accepted accounting principles after eliminating all inter-company items and all amounts properly attributable to minority interests, if any, in the stock and surplus of any Subsidiary, minus the following items (without duplication of deductions), if any, appearing on the consolidated balance sheet of Borrower:

(i) all deferred charges (less amortization, unamortized debt discount and expense and corporate organization expenses);

(ii) the book amount of all assets which would be treated as intangibles under generally accepted accounting principles, including, without limitation, such items as goodwill, trademark applications, trade names, service marks, brand names, copyrights, patents, patent applications and licenses, and rights with respect to the foregoing;

(iii) the amount by which aggregate inventories or aggregate securities appearing on the asset side of such consolidated balance sheet exceed the lower of cost or market value (at the date of such balance sheet) thereof; and

(iv) any write-up in the book amount of any asset resulting from a revaluation thereof from the book amount entered upon acquisition of such asset.

"Trustee" means R. Franklin Unger, Indianapolis, Indiana, under the Purchase Agreement.

1.2 GAAP and Uniform Commercial Code. All financial terms used in this Agreement, other than those defined in this Section 1, shall have the meanings given to them by generally accepted accounting principles. All other undefined terms shall have the meanings given to them in the Uniform Commercial Code.

Section 2. Loan and Term.

2.1 Revolving Credit Loans.

(a) Subject to the terms and conditions hereof, Bank hereby extends to Borrower a line of credit facility (the "Facility") under which Bank may make loans (the "Revolving Loans") to Borrower at Borrower's request from time to time during the term of the Facility, in an amount up to the lesser of (i) Three Hundred Thousand Dollars (\$300,000) or (ii) the sum of eighty percent (80%) of the net amount of Eligible Accounts. However, Bank shall have discretion at all times as to whether or not to make any Revolving Loans. Bank may create and maintain reserves from time to time based on such credit and collateral considerations as Bank may deem appropriate. Borrower may borrow, prepay, and reborrow hereunder, provided that the principal amount of all Revolving Loans outstanding at any one time shall not exceed Three Hundred Thousand Dollars (\$300,000). If the amount of Revolving Loans outstanding at any time exceeds those limits, Borrower shall immediately pay the amount of such excess to Bank in cash.

(b) On the date hereof and every thirty (30) days thereafter, and as otherwise required by Bank, Borrower shall deliver to Bank a Collateral Report in the form of Exhibit 7.2 hereto.

(c) On the Closing Date Borrower shall duly issue and deliver to Bank a Note in the form of Exhibit 2.1(f) (the "Revolving Note"), in the principal amount of Three Hundred Thousand Dollars (\$300,000.00).

(d) All Revolving Loans outstanding from time to time shall bear interest at a rate one-half of one percent (.5%) per year above the Prime Rate of Bank in effect from time to time. The interest rate shall change automatically upon each change in the Prime Rate. Interest will be calculated based on a 360 day year and charged for the actual number of days elapsed, and will be payable in immediately available funds at the principal office of Bank on the first day of each calendar month although Bank shall charge such interest to Borrower's account with Bank. Those amounts shall thereupon constitute Obligations hereunder and shall thereafter accrue interest as provided for in this Agreement.

After the occurrence of an Event of Default, the Revolving Loans shall bear interest at a rate of 4% per annum above the rate that would otherwise be in effect, or in the alternative Bank may impose a fixed charge of \$50.00; this provision does not constitute a waiver of any Event of Default or an agreement by Bank to permit any late payments whatsoever.

(e) The term of the Facility shall expire on December 31, 1999, and the entire outstanding principal balance of the Revolving Note, and all accrued interest, shall become due and payable not later than that date. Borrower may prepay the principal balance of the Revolving Note in whole or part at any time.

Until all Obligations have been fully repaid and this Agreement has terminated, Bank shall retain its security interest in all Collateral then existing or arising thereafter, and Borrower shall continue to immediately turn over to Bank, in kind, all collections received respecting the Accounts.

2.2 Term Loan.

(a) Bank agrees on the terms and conditions hereinafter set forth, to make a term loan (the "Term Loan") to Borrower on the date of this Agreement in the principal sum of One Million Seven Hundred Thousand Dollars (\$1,700,000). Borrower's obligation to repay the Term Loan shall be evidenced by its promissory note (the "Term Note") in substantially the form of Exhibit 2.2 hereto. The Note shall be dated the date of this Agreement. The principal amount of the Term Note will be payable in monthly installments, due on the first day of each calendar month, commencing April 1, 1998, with a final payment on March 1, 2003. The first twenty-four (24) installments of principal shall each be in the amount of Seven Thousand Five Hundred Dollars (\$7,500). The next twenty-four (24) installments of principal (being the twenty-fifth through forty-eighth payments) shall each be in the amount of Ten Thousand Eight Hundred Thirty-Three Dollars (\$10,833). The next twelve installments of principal (being the forty-ninth through fifty-ninth payments) shall each be in the amount of Thirteen Thousand Seven Hundred Fifty Dollars (\$13,750). On March 1, 2003 the final installment shall be in the amount of the entire unpaid principal balance. However, if the Facility is terminated (whether by acceleration of the Revolving Loans or otherwise) prior to the stated maturity of the Term Loan, the Term Loan shall instead become due and payable in full upon termination of the Facility.

(b) Borrower shall pay interest to Bank on the outstanding principal amount of the Term Loan at a rate per annum equal to the fixed rate of eight and 26/100 percent (8.26%). Interest shall be calculated on the basis of a year of 360 days and charged for the actual number of days elapsed. Interest shall be payable in immediately available funds at the principal office of Bank, on the due date of each principal payment with a final payment on December 31, 2002, with Bank charging the Borrower's account. After the occurrence of an Event of Default, the Term Loan shall bear interest until paid at a rate which shall be 4% above the rate that would otherwise be in effect; this provision does not constitute a waiver of any Events of Default or an agreement by Bank to permit any late payments whatsoever.

(c) Borrower may, upon at least 3 days' notice to Bank, prepay the Term Loan in whole or in part with accrued interest on the amount prepaid, provided that each partial payment shall be in a principal amount of not less than Fifty Thousand Dollars (\$50,000) and shall be applied to the principal installments of the Term Loan in the inverse order of their maturities.

2.3 Letter of Credit Loan.

(a) Bank agrees on the terms and conditions set forth herein to issue the Letter of Credit at the Closing of this Loan. In the event that the Letter of Credit is drawn by The Ohio Rail Development Commission, Borrower shall promptly pay to Bank the amount drawn under the Letter of Credit. A draw under the Letter of Credit by The Ohio Rail Development Commission shall be considered a Letter of Credit Loan. Borrower's obligation to repay the Letter of Credit Loan shall be evidenced by Borrower's Promissory Note (the "Letter of Credit Note") in substantially the form of Exhibit 2.3 hereto. The Note shall be dated the date of this Agreement. The principal and accrued interest on the Letter of Credit Note shall be due and payable in full, on demand of Bank. The Letter of Credit Loan shall bear interest as set forth in the Letter of Credit Note. After the occurrence of Event of Default the Letter of Credit Loan shall bear interest until paid at a rate which shall be 4% above the rate that would otherwise be in effect; this provision does not constitute a waiver of any Events of Default or an agreement by Bank to permit any late payments whatsoever.

(b) Borrower shall pay a Letter of Credit fee to Bank upon the initial issuance of the Letter of Credit on the Closing Date in the amount of one and one-half percent (1.5%) of the face amount of the Letter of Credit. Thereafter, the annual Letter of Credit fee for the renewal of the Letter of Credit will be due by the fifth day of each February of each year that the Loan is in existence. The amount of the Letter of Credit fee for each year shall be calculated based upon the outstanding balance due from Borrower to The Ohio Rail Development Commission on the \$600,000 Loan between The Ohio Rail Development Commissioner as lender and the Borrower as borrower.

(c) The Letter of Credit fee shall be paid in immediately available funds promptly on or before the fifth day of each February of each year. The fee is one and one-half percent (1.5%) of the amounting owing from Borrower to The Ohio Rail Development Commission on the \$600,000 portion of the loan in the total amount of \$1,200,000 from The Ohio Rail Development Commission to the Borrower, as certified by Borrower and The Ohio Rail Development Commission. This \$600,000 portion of the loan is the declining portion by which monthly payments from Borrower reduce the amount of the loan.

2.4 Fees and Mandatory Repayments.

(a) Closing Fee: On the date hereof, Borrower shall pay to Bank a nonrefundable closing fee of Twelve Thousand Five Hundred Dollars (\$12,500), as well as the Letter of Credit fee described above in Section 2.3.

(b) Cash Flow Repayment: Borrower shall pay to Bank an annual mandatory prepayment on the Term Note, each such annual payment shall be payable in full by Borrower within 120 days after the end of such fiscal year and shall be equal to twenty-five percent (25%) of annual Excess Cash Flow of Borrower for each fiscal year of Borrower, commencing with the fiscal year ending June 30, 1999.

(i) The annual Excess Cash Flow for each relevant fiscal year of Borrower shall be calculated by Borrower as reflected in the audited financial statements of Borrower for such fiscal year; provided, however, that if Borrower has not delivered to Bank its audited financial statements for a relevant fiscal year within 120 days after the end of such fiscal year, Bank may, at its option, make its own determination of Borrower's cash flow for such fiscal year, and such determination made by Bank shall be conclusive, unless and until Borrower delivers to Bank its audited financial statements for such fiscal year. In order to so determine Borrower's cash flow, Bank may, at its option, conduct its own examination of Borrower's books and records, and Borrower agrees to make its books and records available for inspection by Bank. The Excess Cash Flow calculation and payment to Bank required hereunder, if any, shall be prior to any accounting entry, calculation or payment to the Borrower's Member-investors as described in Section 6.11 herein.

2.5 Accounting. After the end of each calendar month, Bank will:

(a) if Bank so elects, charge Borrower's account for any or all amounts due to Bank under this Agreement for interest, expenses and the like and notify Borrower of such charges; and

(b) render to Borrower a statement of Borrower's loan account with Bank hereunder, which statement shall be considered correct and to have been accepted by Borrower and shall be conclusively binding upon Borrower unless Borrower notifies Bank in writing of any discrepancy within ten (10) days from the mailing of such statement.

2.6 Costs. Borrower shall pay to Bank its costs and expenses (including, without limitation, reasonable attorneys' fees, court costs, litigation and other expense) incurred or paid by Bank in negotiating, documenting, administering and enforcing this Agreement and the Loan Documents and in establishing, maintaining, protecting, perfecting or enforcing any of Bank's rights or Borrowers' obligations, including, without limitation, outside counsel fees and any and all such costs and expenses incurred or paid by Bank in defending Bank's title or right to the Collateral or in collecting or enforcing payment of the Collateral and all costs of filing financing, continuation or termination statements with respect to the Collateral.

2.7 Depository. If Borrower should ever take any action, the result of which is that Bank is no longer the principal depository in which the majority of Borrower's funds are deposited or is no longer the principal bank of account of Borrower, the applicable interest rate shall be increased to a rate which is four percent (4%) greater than the rate that would otherwise be in effect, such change in the applicable interest rate to be effective automatically and without notice from the date of Borrower's action.

2.8 Banking Services. Borrower shall give Bank the first and last opportunity to provide any banking services required by Borrower and its affiliates and benefit plans, provided Bank is willing to provide such services on terms competitive in the marketplace.

2.9 Use of Proceeds. The proceeds of the Loans will be used only for general working capital purposes and to fund the acquisition of certain assets of the Indiana Hi-Rail/Sagamore National Corporation.

2.10 Maximum Interest Rate. In no event shall the interest rate and other charges hereunder exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that a court determines that Bank has received interest and other charges hereunder in excess of the highest permissible rate applicable hereto, such excess shall be deemed received on account of, and shall automatically be applied to reduce, the principal balance of the Loans, and the provisions hereof shall be deemed amended to provide for the highest permissible rate. If there are no Obligations outstanding, Bank shall refund to Borrowers such excess.

2.11 Agent.

(a) Borrower hereby irrevocably appoints Spencer Wendelin, the Managing Member of RMW Ventures, LLC as its agent representative to deal with Bank on its behalf in all respects in connection with this Agreement and the transactions contemplated herein, including the submission of requests for Loans and the submission of Collateral Reports. Borrower agrees to be bound by all actions of Spencer Wendelin in all such respects, and the Bank shall be entitled to rely on his instructions which shall be deemed to be instructions from all four borrowing entities.

Section 3. Security.

3.1 Security Interest of Bank. To induce Bank to make the Loans, and as security for all Obligations, Borrower hereby assigns to Bank as Collateral and grants to Bank a continuing pledge and security interest in the following property of Borrower (the "Collateral"), whether now owned or existing or hereafter acquired or arising and regardless of where located:

- (a) all Accounts;
- (b) all Inventory;
- (c) all Equipment;
- (d) all General Intangibles;
- (e) all contracts and contract rights, including the Management Agreement;
- (f) all railroad assets (such as track, cars, leases, agreements, etc.) described in Exhibit 3.1 attached hereto.

(g) all proceeds and products of Collateral and all additions and accessions to, replacements of, insurance or condemnation proceeds of, and documents covering Collateral, all tort or other claims against third parties arising out of damage or destruction of Collateral, all property received wholly or partly in trade or exchange for Collateral, all leases of Collateral and all rents, revenues, issues, profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition, of the Collateral or any interest therein; and

(h) all instruments, documents, securities, money or other property, owned by such Borrower or in which Borrower has an interest, which now or hereafter are at any time in the possession or control of Bank or in transit by mail or carrier to or in the possession of any third party acting on behalf of Bank, without regard to whether Bank received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether Bank had conditionally released the same, and any deposit accounts of Borrower with Bank, including all demand, time, savings, passbook or other accounts.

3.2 Representations in Exhibit 3.2. Borrower represents and warrants that the representations and warranties set forth in Exhibit 3.2, the Specific Representations Exhibit, are true and correct. Except as otherwise permitted hereunder, Borrower shall not change its name, transfer its executive offices or maintain records with respect to Accounts at any location other than its present executive offices specified in that Exhibit.

3.3 Provisions Concerning Accounts.

(a) Borrower represents and warrants that each Account reflected in Borrower's books and records and on each Collateral Report submitted to Bank is, or will at the time it arises be, owned by Borrower free and clear of all Liens in favor of any third party (except for liens approved in advance by Bank to the Subordinated Creditors), will be a bona fide existing obligation created by the final sale and delivery of goods or the completed performance of services by Borrower in the ordinary course of its business, will be for a liquidated amount maturing as stated in the supporting data covering such transaction, and will not be subject to any known deduction, offset, counterclaim, return privilege or other condition except as reflected on Borrower's books and records and on all Collateral Reports delivered to Bank. Borrower shall not redate any invoices. Any allowances between Borrower and its customers will be in accordance with the usual customary practices of Borrower, as they exist on the date of this Agreement.

(b) Borrower shall notify Bank within three (3) business days of occurrence of all returns, reposessions and recoveries of merchandise and of all claims asserted by Account Debtors, in excess of Two Thousand Dollars (\$2,000) per month in the aggregate.

(c) Any officer, employee or agent of Bank shall have the right, at any time or times hereafter, in the name of Bank or its nominee (including a Borrower), to verify the validity, amount or any other matter relating to any Accounts by mail, telephone, or otherwise; and all reasonable costs thereof shall be payable by Borrower to Bank. Bank or its designee may at any time

notify Account Debtors that Accounts have been assigned to Bank or of Bank's security interest therein, and collect the same directly and charge all collection costs and expenses to Borrowers' account.

(d) Bank shall not be liable to Borrower or any third person for the correctness, validity or genuineness of any instruments or documents released or endorsed to Borrower by Bank (which shall automatically be deemed to be without recourse to Bank in any event), or for the existence, character, quantity, quality, condition, value or delivery of any goods purporting to be represented by any such documents; and Bank, by accepting a Lien in the Collateral, or by releasing any Collateral to Borrower, shall not be deemed to have assumed any obligation or liability to any supplier or Account Debtor of Borrower or to any other third party, and Borrower jointly and severally agree to indemnify and defend Bank and hold it harmless in respect to any claim or proceeding arising out of any matter referred to in this subparagraph.

(e) Borrower shall immediately notify Bank if Borrower becomes aware of any of the following events: If more than fifty percent (50%) in value of the Accounts owing by any Account Debtor are outstanding and unpaid more than one hundred twenty (120) days from the date of the invoice, or if an Account Debtor disputes liability or makes any claim with respect thereto, or if a receivership petition or petition under any chapter of the federal bankruptcy act is filed by or against an Account Debtor, or if an Account Debtor dissolves, makes an assignment for the benefit of creditors, becomes insolvent, fails or goes out of business, or if any other event occurs which adversely affects the value of any Account owed by an Account Debtor. After the occurrence of an Event of Default, no discount, credit or allowance shall be granted by Borrower to any Account Debtor and no return of merchandise shall be accepted by Borrower without Bank's consent. Bank may, after the occurrence of an Event of Default, settle or adjust disputes and claims directly with Account Debtors for amounts and upon terms which Bank considers advisable, and in such cases, Bank will credit Borrower's account with only the net amounts received by Bank in payment of such disputed Accounts, after deducting all Bank's expenses incurred in connection therewith.

(f) Borrower appoints Bank and Bank's designees as its attorney-in-fact to endorse Borrower's name on any checks, Notes, acceptances, money orders, drafts or other forms of payment or security that may come into Bank's possession; to sign Borrower's name on any invoice or bill of lading relating to any Accounts or Inventory, on drafts against Account Debtors, on schedules and assignments of Accounts or Inventory, on verifications of Accounts, on notices to Account Debtors, and on proofs of claim, releases of lien or any other documents needed to collect Accounts or General Intangibles; to notify post office authorities to change the address for delivery of Borrower's mail to an address designated by Bank, to receive and open all mail addressed to Borrower and to retain all mail relating to Collateral and forward all other mail to Borrowers; to send requests for verification of Accounts to customers or Account Debtors, and to do all things necessary to carry out or enforce this Agreement. Borrower ratifies and approves all acts of Bank or its designees as attorney-in-fact. Bank or its designees as attorney-in-fact will not be liable for any acts or omissions, or for any error of judgment or mistake of fact or law except for bad faith. This power, being coupled with an interest, is irrevocable until all Obligations have been fully satisfied. Any

person dealing with Bank shall be entitled to conclusively rely on any written or oral statement of Bank or its designee that this power of attorney is in effect.

(g) If any Accounts shall arise out of a contract with the United States of America or any department, agency, subdivision or instrumentality thereof, Borrower shall promptly notify Bank thereof in writing and take all other action requested by Bank to perfect Bank's Lien in such Accounts under the provisions of the Federal laws on assignment of claims.

3.4 Provisions Concerning General Intangibles.

(a) Borrower represents and warrants that all of the General Intangibles assigned to Bank, or in which Borrower grants Bank a Lien, are owned by Borrower free and clear of any Liens in favor of any person other than Bank other than liens to the Subordinated Creditors. Borrower will maintain and preserve all patents, trademarks, copyrights, licenses, permits and other General Intangibles and the like which are necessary or useful for the conduct of their business.

(b) Borrower represents and warrants that upon the closing of the Acquisition Borrower will own all the patents, trademarks, copyrights, and applications for the same which were previously used in connection with the Purchased Business, and that all such intellectual property is subject to the Pledge Agreements. The intellectual property subject to the Pledge Agreements, the Real Estate subject to mortgages granted to Bank, and the Collateral are all of the property needed by Borrower to advantageously conduct the business currently being conducted by the Purchased Business.

3.5 Provisions Concerning Inventory.

(a) Borrower represents and warrants that each item of Inventory will be valued by Borrower at the lower of cost or market on a FIFO basis. The Specific Representations Exhibit is a true and correct list showing all places where Borrower maintains Inventory or has maintained Inventory at any time during the past four (4) months, including, without limitations, facilities leased and operated by Borrower and locations neither owned nor leased by Borrower. Such list indicates whether the premises are those of a public warehouse or other third party. No Inventory will be removed from the current locations set forth in such Exhibit or stored at locations other than the current locations set forth in such Exhibit, except (i) for shipment to purchasers in the ordinary course of Borrower's business or (ii) upon thirty (30) days prior written notice to Bank, to such other locations as to which all action required to perfect and protect Bank's Lien in such Inventory has been taken. Inventory may be moved from one current location set forth in such Exhibit to another.

(b) Borrower shall keep all Inventory in good order and condition and shall maintain full, accurate and complete books and records with respect to Inventory at all times.

(c) Except during the continuance of an Event of Default, Borrower may sell Inventory in the ordinary course of their business (which does not include a transfer in full or partial satisfaction of indebtedness).

(d) Borrower shall provide Bank with copies of all agreements between Borrower and any warehouse at which Inventory may from time to time be kept and shall deliver to Bank a landlord's or warehouse's waiver satisfactory to Bank prior to entering into any lease or agreement for warehouse, storage or business facilities.

(e) Borrower represents and warrants that Inventory is not now and shall not at any time or times hereafter be stored with a bailee, warehouseman or similar party that issues a warehouse receipt for such Inventory without Bank's prior written consent, and, if Inventory is so stored, Borrower will, concurrent therewith, cause any such bailee, warehouse or similar party to issue and deliver to Borrower, in a form acceptable to Bank, warehouse receipts in Bank's name evidencing the storage of the Inventory.

(f) Borrower represents and warrants that except in connection with the acquisition of the Purchased Business and except as set forth on the Specific Representations Exhibit, Borrower has not purchased any of the Collateral in a bulk transfer or in a transaction which was outside the ordinary course of the seller's business, and no entity has merged or consolidated into a Borrower.

3.6 Provisions Concerning Equipment.

(a) Borrower warrants and represents that the Specific Representations Exhibit hereto is a true and correct list showing all places where any Equipment of Borrower is located or has been located at any time during the past four months. Borrower shall not permit any Equipment to be located at any place other than (i) current locations set forth in the Specific Representations Exhibit, and (ii) upon 30 days' prior written notice to Bank, at such other locations as to which all action required to perfect and protect Bank's Lien in such Equipment has been taken.

(b) Borrower shall keep and maintain the Equipment in good operating condition and repair, make all necessary replacements thereto so that the value and operating efficiency thereof shall at all times be maintained and preserved. Borrower shall immediately notify Bank of any material loss or damage to the Collateral. Borrower shall not permit any item of Equipment to become a fixture to real estate or accession to other property and the Equipment is now and shall at all times remain and be personal property.

(c) Borrower shall immediately deliver to Bank, properly endorsed, any and all certificates of title or applications for title or the like for any ships, airplanes or vehicles covered by certificates of title. Borrower shall take all steps necessary to perfect Bank's Lien in such assets.

(d) If any of the Collateral is or may become a fixture, Borrowers shall obtain from all persons with an interest in the relevant real estate such waivers or subordinations as Bank shall reasonably require.

3.7 Liens. Borrower represents and warrants that: Borrower has good and marketable title to the Collateral, and the Liens granted to Bank pursuant to this Agreement are fully perfected first priority Liens in and to the Collateral with priority over the rights of every person other than the Borrower in the Collateral and the junior liens to the Subordinated Creditors; Borrower is the owner of all personal property in its possession or shown on its books and records and all assets of Borrower are owned free, clear and unencumbered, except for the Lien of Bank and except for Liens imposed by law which secure amounts not yet due and payable, and except for liens approved in advance by Bank and in connection with the junior liens to the Subordinated Creditors.

3.8 Further Assurances.

(a) Borrower shall execute and deliver to Bank at Bank's request all financing statements, continuation statements, fixture filings, endorsements of filings, certificates of title, schedules of accounts, letters of authority and all other documents that Bank may reasonably request, in form satisfactory to Bank, to perfect and maintain perfected Bank's security interest in the Collateral and to fully consummate all transactions contemplated under this Agreement. Borrower hereby irrevocably appoints Bank and Bank's designee as such Borrower's true and lawful attorney-in-fact with power to sign the name of Borrower on any such documents. Borrower ratifies and approves all acts of Bank and its designees as attorney-in-fact. Bank or its designees as attorney-in-fact will not be liable for any acts or omissions, or for any error of judgment or mistake of fact or law, except for bad faith.

(b) If any Collateral, including proceeds, consists of a letter of credit, advice of credit, instrument, money, negotiable documents, chattel paper or similar property (collectively, "Negotiable Collateral") Borrower shall, immediately upon receipt thereof, endorse and assign such Negotiable Collateral over to Bank and deliver actual physical possession of the Negotiable Collateral to Bank.

(c) Bank may, at any time or times hereafter, during Borrower's usual business hours, or during the usual business hours of any third party having control over the records of Borrower, inspect and verify the Collateral and such Borrower's books and records in order to verify the amount or condition of, or any other matter relating to, the Collateral and Borrowers' financial condition. Borrower shall promptly deliver to Bank copies of all books and records requested by Bank.

3.9 Reinstatement of Lien. If, at any time after payment in full by Borrower of all Obligations and termination of Bank's Liens, any payments on Obligations theretofore made by Borrower or any other person must be disgorged by Bank for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of a Borrower or such other person),

this Agreement and Bank's Liens granted hereunder shall be reinstated as to all disgorged payments as though such payment had not been made, and Borrower shall sign and deliver to Bank all documents and things necessary to reperfect all terminated Liens.

3.10 Other Amounts Deemed Loans. If Borrower fails to pay any tax, assessment, government charge or levy or to maintain insurance within the time permitted by this Agreement, or to discharge any Lien prohibited hereby, or to comply with any other obligation, Bank may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Borrower, and to the extent permitted by law and at the option of Bank all monies so paid out shall be deemed Loans.

3.11 Borrower Remains Liable. Borrower shall remain liable under any contracts and agreements included in the Collateral to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, and Bank shall not have any obligation or liability under such contracts and agreements by reason of this Agreement or otherwise.

3.12 Mortgage. Borrower shall enter into mortgages satisfactory to Bank granting Bank a Lien in all real property interests of Borrower comprising the railroad property (the "Mortgage").

Section 4. Representations and Warranties.

Borrower hereby warrants and represents to Bank the following:

4.1 Organization and Qualification. Borrower is duly organized and validly existing in good standing under the laws of the state of its organization (Indiana), has the power and authority (corporate and otherwise) to carry on its business and to enter into and perform this Agreement, the Notes and each Loan Document to which Borrower is a party and is qualified and licensed to do business in each jurisdiction in which such qualification or licensing is required. All information set forth in Exhibit 4.1 hereto, the Certificate of Borrower, and in all attachments thereto, is true and correct.

4.2 Due Authorization. The execution, delivery and performance by Borrower of this Agreement, the Notes and each Loan Document to which Borrower is a party have been duly authorized by all necessary corporate action, and will not contravene any law or any governmental rule or order binding on Borrower, or the articles of organization or operating agreement of Borrower, nor violate any agreement or instrument by which Borrower is bound nor result in the creation of a Lien on any assets of Borrower except the Lien to Bank granted herein. Borrower has duly executed and delivered this Agreement, the Notes and each Loan Document to which Borrower is a party and they are valid and binding obligations of Borrower enforceable according to their terms except as limited by equitable principles and by bankruptcy, insolvency or similar laws affecting the rights of creditors generally. No notice to or consent by any government body is needed in connection with this transaction except to the Surface Transportation Board.

4.3 Litigation. There are no suits or proceedings pending or threatened against or affecting Borrower, and no proceedings before any governmental body pending or threatened against Borrower, except as listed on Exhibit 4.3.

4.4 Margin Stock. No part of the Loans will be used to purchase or carry, or to reduce or retire or refinance any credit incurred to purchase or carry, any margin stock (within the meaning of Regulations U and X of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any margin stock. If requested by Bank, Borrower will furnish to Bank statements in conformity with the requirements of Federal Reserve Form U-1.

4.5 Business. Borrower has all licenses, contracts, leases, agreements, franchises, authorizations, patents, trademarks, copyrights and other rights necessary to advantageously conduct its business, including the Management Agreement. They are all in full force and effect and are not in known conflict with the rights of others. Borrower is not a party to or subject to any agreement or restriction which in the opinion of Borrower's management is so unusual or burdensome that it might have a material adverse effect on a Borrower's business, properties or prospects. Borrower is in compliance with all material agreements applicable to it, including obligations to contribute to any employee benefit plan or pension plan regulated by the federal Employee Retirement Income Security Act ("ERISA").

4.6 Laws and Taxes. Borrower is in material compliance with all laws applicable to it, has filed all required tax returns and has paid all taxes shown to be due and payable on those returns. No taxing authority has asserted or assessed any additional tax liabilities against Borrower.

4.7 Environmental Laws.

(a) Borrower has obtained all permits, licenses and other authorizations which are required under Environmental Laws and Borrower is in compliance in all material respects with all terms and conditions of the required permits, licenses and authorizations, and is also in compliance in all material respects with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in the Environmental Laws;

(b) Borrower is not aware of, and Borrower has not received notice of, any past, present or future events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent compliance or continued compliance in any material respect with Environmental Laws, or may give rise to any material common law or legal liability, or otherwise form the basis of any material claim, action, demand, suit, proceeding, hearing, study or investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant, chemical, or industrial, toxic or hazardous substance or waste; and

(c) There is no civil, criminal or administrative action, suit, demand, claim, hearing, notice or demand letter, notice of violation, investigation, or proceeding pending or threatened against Borrower, relating in any way to Environmental Laws.

4.8 Financial Condition. All financial statements and information relating to Borrower which have been or may hereafter be delivered by Borrower to Bank are true and correct and have been prepared in accordance with generally accepted accounting principles consistently applied. Borrower has no material obligations or liabilities of any kind not disclosed in that financial information, and there has been no material adverse change in the financial condition of Borrower since the submission of such financial information to Bank.

4.9 Solvency. Borrower is Solvent and upon consummation of the transactions contemplated by this Agreement will be Solvent. "Solvent" means that: (a) the present fair salable value of a person's assets is in excess of the total amount of its liabilities (including contingent liabilities); (b) a person does not have unreasonably small capital and is able to pay its debts as they become due; and (c) a person does not intend to or believe it will incur obligations beyond its ability to pay as they mature.

4.10 Borrower's Members. Annexed hereto as Exhibit 4.10 is a true and complete list of all of each of the Borrower's Members, showing the number and class of shares held by each. Except as set forth on Exhibit 4.10, none of Borrower's capital stock is subject to any Lien and Borrower has not outstanding rights, options, warrants or agreements pursuant to which it may be required to sell any equity security.

4.11 Brokers. No broker or finder brought about the obtaining, making or closing of the Loans made pursuant to this Agreement or the Acquisition, and Borrower has no obligation to any person in respect of any finder's or brokerage fees in connection with the Loans contemplated by this Agreement or the Acquisition.

4.12 Adverse Change. As of immediately after the closing of the Acquisition, Borrower does not have any material amount of liabilities, contingent or otherwise, not reflected in the Pro Forma Balance Sheet or the notes (if any) thereto.

4.13 Damage or Destruction. Since the date of the most recent audited balance sheet of Seller that has been delivered to Bank, neither the business nor operations nor properties of Purchased Business has been substantially or materially and adversely affected as the result of any fire, explosion, accident, strike, flood, requisition or taking of property by any governmental authority or act of God.

4.14 Operation of Business. Since its incorporation, the Borrower has engaged in no business or activity other than as contemplated by the Acquisition Agreement.

Section 5. Financial Statements and Information.

5.1 Financial Statements. So long as any Obligations to Bank are outstanding, Borrower shall maintain a standard and modern system for accounting in accordance with generally accepted principles of accounting and shall furnish to Bank:

(a) Within thirty (30) days after the end of each month of each fiscal year, a copy of its balance sheet as of the end of such month, and profit and loss statements and cash flow statements for such month and for the year to date, which statements shall be in reasonable detail, prepared and certified as complete and correct, subject to changes resulting from year-end adjustments, by the principal financial officer of the Borrower and shall be in such form as is reasonably acceptable to the Bank;

(b) Within one hundred twenty (120) days after the end of each fiscal year beginning with the current fiscal year, a copy of its consolidated and consolidating financial statements for such year including balance sheet, profit and loss and surplus statements for such year, which consolidated statements shall be audited by a firm of independent certified public accountants acceptable to Bank (which acceptance shall not be unreasonably withheld), and accompanied by a standard audit opinion of such accountants without significant qualification;

(c) With the statements submitted under (a) and (b) above, a certificate signed by the principal financial officer of the Borrower, (i) stating he is familiar with all documents relating to the Bank and that no Default or Event of Default has occurred, or if any such condition or event existed or exists, specifying it and describing what action the Borrower has taken or propose to take with respect thereto, and (ii) setting forth, in summary form, figures showing the financial status of the Borrower in respect of the financial restrictions contained in this Agreement;

(d) With the annual financial statements required above, a certificate of the firm of certified public accountants regularly employed by Borrower that they have reviewed this Agreement and, based upon their audit, they are unaware of any Event of Default specified in this Agreement;

(e) Promptly after any officer or member of Borrower obtains knowledge of any condition or event which constitutes a Default or Event of Default, a certificate of such person specifying the nature and period of the existence thereof, and what action Borrower has taken or is taking or propose to take in respect thereof;

(f) Promptly upon receipt thereof, copies of all letters to management and all audit reports submitted to Borrower by independent certified public accountants in connection with each audit of the books of Borrower made by such accountants;

(g) Copies of all statements, notices and reports Borrower shall hereafter send to its creditors generally;

(h) Upon the request of Bank, copies of all federal, state and local income tax returns;

(i) At least thirty (30) days before the start of each fiscal year, financial projections of cash flow, profit and loss, and a balance sheet for such year in detail satisfactory to Bank;

(j) An opening day balance sheet in pro forma format shall be due within forty-five (45) days of the date of this Agreement;

(k) An accounts receivable aging report supplied to Bank monthly within thirty days after the end of each month at the time the financial statements described in subparagraph (a) above are delivered.

(l) An accounts payable aging report supplied to Bank monthly within thirty days after the end of each month at the time the financial statements described in subparagraph (a) above are delivered.

(m) With reasonable promptness, such other information as Bank requests.

If at any time Borrower has any subsidiaries which have financial statements that could be consolidated with those of Borrower under generally accepted accounting principles, the financial statements required by subsections (a) and (b) above shall be the financial statements of Borrower and all such subsidiaries prepared on a consolidated and consolidating basis.

Section 6. Covenants. Borrower covenants to Bank the following:

6.1 Existence; Merger; Disposition of Assets. Borrower will maintain its existence and will not change its capital structure nor merge or consolidate with any corporation, nor sell, lease, transfer or otherwise dispose of all or any substantial part of its assets whether now owned or hereafter acquired, except for sales of inventory in the ordinary course of business and except for dispositions of obsolete or worn-out property with a book value of less than \$10,000 not used or useful in its business and except for the Operating Leases, and, except for sales or dispositions approved by Bank. Notwithstanding the foregoing, assets comprising the Collateral that Borrower reasonably deems unnecessary for operation of its short-line railroad business shall be eligible to be sold by Borrower no later than ninety (90) days from the date of this Agreement. However, the amount of assets thus sold shall not exceed Two Hundred Thousand Dollars (\$200,000) in the aggregate. The proceeds of such sales shall be placed in escrow to be used solely to pay down outstanding advances under the Revolving Loan, and such proceeds shall be promptly paid to Bank upon the later of: the receipt at the closing of any proceeds from sale(s) of assets, or, the closing of this Agreement.

6.2 Pledge or Encumbrance of Assets. Borrower will not create, incur, assume or permit to continue in existence any Lien on any property or asset now owned or hereafter acquired by Borrower, except for Liens to Bank and Liens of governmental entities which secure amounts not at the time due and payable and which are imposed by law without the consent of Borrower, the permitted liens to the Subordinated Creditors, and certain purchase money security interests as permitted under Section 6.10 hereinafter.

6.3 Guarantees and Loans. Borrower will not enter into any direct or indirect guarantees other than by endorsement of checks for deposit in the ordinary course of Borrower's business, nor make any advance or loan other than in the ordinary course of business as presently conducted.

6.4 Business. Borrower will engage primarily in the short-line leasing of railroad equipment and properties of the same general character as that now conducted, and will not make any investment in any other entity, through the direct or indirect holding of securities or otherwise.

6.5 Condition and Repair. Borrower will maintain in good repair and working order all properties used in its business and from time to time will make all appropriate repairs and replacements thereof.

6.6 Insurance. Borrower will maintain, with financially sound and reputable insurers, insurance with respect to its properties and business against loss or damage of the kinds and in the amounts customarily insured against by corporations of established reputation engaged in the same or similar businesses, together with any other insurance requested by Bank. All such policies will name Bank as an additional insured and, where applicable, as loss payee under a lender loss payable endorsement satisfactory to Bank, and shall provide for thirty (30) days written notice to Bank before such policy is altered or canceled.

6.7 Taxes. Borrower has paid and will pay all taxes, assessments and other governmental charges imposed upon it or any of its assets or in respect of any of its franchises, business, income or profits before any penalty or interest accrues thereon, and all claims (including, without limitation, claims for labor, services, materials and supplies) for sums which have become due and payable and which by law have or might become a Lien or charge upon any of its assets, provided that (unless any material item or property would be lost, forfeited or materially damaged as a result thereof) no such charge or claim need be paid if it is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted, if Bank is notified in advance of such contest and if Borrower establishes any reserve or other appropriate provision required by generally accepted accounting principles and deposit with Bank cash or bond in an amount acceptable to Bank.

6.8 Compliance with Law. Borrower will comply with all federal, state and local laws, regulations and orders applicable to Borrower or its assets, in all respects material to such Borrower's business, assets or prospects, including without limitation all Environmental Laws.

6.9 Transactions with Affiliates. Borrower will not (a) directly or indirectly make or cause to be made any guarantee for the benefit of any of its Affiliates, (b) directly or indirectly make or cause to be made any loans or advances to or investments in any of its Affiliates, or (c) enter into any transaction with any of its Affiliates.

6.10 Indebtedness. Borrower will not incur, create, assume or permit to exist indebtedness for borrowed money (other than the Obligations), or indebtedness on account of deposits, advances or progress payments under contracts, or Notes, bonds, debentures or similar obligations which in the aggregate for Borrower is greater than One Hundred Fifty Thousand Dollars (\$150,000.00) in each fiscal year, without the prior written consent of Bank not to be unreasonably withheld. Borrower is allowed to grant purchase-money security interests in the assets acquired with such money but only up to \$150,000 in assets as determined by Bank in Bank's sole discretion.

6.11 Membership Interests; Payments to Members. Borrower is entitled to issue additional membership shares, grant warrants, options and other rights to purchase membership interests, so long as each new member signs the Subordination Agreement in form and content satisfactory to Bank. Borrower will not declare or pay any dividend or distributions on its membership interests, or redeem any shares of its Members. Notwithstanding the foregoing, subject to the Bank's prior written consent and the calculation of and payment to Bank of Excess Cash Flow pursuant to Section 2.4(b) above, the Bank shall allow Borrower to make additional payments (other than quarterly interest payments under the Investors' notes) to the Member-investors in the Borrower, but only if the Borrower is "profitable" as determined by the Bank, the Borrower has profits which are actually allocated to the Members, and no default or Event of Default has occurred or as a result of such distributions will occur. If such payments are ever made they will be subject to the Subordination Agreement among Bank and such Member-investors.

6.12 Fixed Charge Coverage Ratio. At the end of each of the following fiscal years, Borrower on a consolidated basis shall maintain at least the following multiples of (a) net income of Borrowers before taxes and extraordinary items and before interest, depreciation and amortization expense, for such fiscal year, to (b) the sum of interest expense of Borrower for such fiscal year plus that portion of the principal amount of Funded Indebtedness required to be repaid during such fiscal year plus unfinanced capital expenditures for such fiscal year:

<u>Fiscal Year Ending</u>	<u>Multiple</u>
June 30, 1999 and 2000	1.05:1
June 30, 2001 and 2002	1.20:1

6.13 Debt To Tangible Net Worth. At the end of each period described below, the rate of Borrower's outstanding Indebtedness excluding Subordinated Indebtedness cannot exceed the Borrower's Tangible Capital Base, all on a consolidated basis, by the following:

<u>Fiscal Year Ending</u>	<u>Maximum Coverage Ratio</u>
June 30, 1998	1.75:1
June 30, 1999	1.50:1
June 30, 2000 and thereafter	1.25:1

6.14 Minimum Tangible Net Worth. At each measuring date of Borrower's described below, Borrower on a consolidated basis shall maintain a minimum Tangible Net Worth on a consolidated basis of at least the following amounts:

<u>Period Ending</u>	<u>Minimum Amount</u>
Closing date	\$1,600,000
June 30, 1998	\$1,600,000
June 30, 1999	\$1,700,000
June 30, 2000 and thereafter	\$1,800,000

6.15 Representations. Borrower covenants that the representations set forth herein will continue to be correct so long as this Agreement is in effect. Borrower will, within three (3) days of obtaining knowledge thereof, give written notice to Bank of the existence of any event which would prohibit Borrower from continuing to make the representations set forth in this Agreement.

6.16 Management Agreement. Borrower shall keep the Management Agreement in full force and effect without any default on Borrower's behalf. In the event of a default by Transmark Associates, Inc. under the Management Agreement, Borrower shall provide written notice to Bank and Borrower shall not take any action to terminate the Management Agreement without the Bank's prior written consent. Borrower acknowledges that upon an Event of Default hereunder, Bank shall have the right but not any obligation at Bank's sole option to terminate the Management Agreement in accordance with the terms and provisions of Section 8 herein. In the event Borrower receives any notice of default from Transmark Associates, Inc. under the Management Agreement, Borrower shall promptly forward such notice to Bank, and Borrower shall promptly cure such default.

Section 7. Conditions Precedent.

7.1 Conditions to Loans. Bank shall not make any Loan until Borrower has delivered to Bank, in addition to this Agreement and the Notes, the following in form and substance satisfactory to Bank:

(a) all appropriate financing statements (Form UCC-1) covering all items of Collateral.

- (b) Certificate of Borrower in the form of Exhibit 4.1, and all attachments thereto.
- (c) UCC searches, tax lien and litigation searches, insurance certificates, notices, filings or other documents which Bank may require to reflect, perfect, or protect the priority of Bank's priority Lien in the Collateral and to fully consummate this transaction.
- (d) a favorable opinion of counsel to Borrower and to each Guarantor under the Guaranties, substantially in the form of Exhibit 7.1(d).
- (e) payment by Borrower of all fees and expenses of Bank's counsel and all recording fees and taxes, if any.
- (f) executed copies of all documents set forth on Bank's document list for this transaction, including without limitation all of the Loan Documents.
- (g) an Acquisition Certificate in the form of Exhibit B hereto.
- (h) evidence satisfactory to Bank from the applicable Bankruptcy Court that the Purchased Business can be conveyed to Borrower free and clear of all liens and encumbrances.
- (i) Management Agreement fully signed in form and content satisfactory to Bank.
- (j) All Subordinated Debt has been funded and cash received by Borrowers.
- (k) each of the original, fully-signed Guaranties.
- (l) such additional information and materials as Bank may reasonably request.

7.2 Conditions to Each Revolving Loan. Bank will not make any Revolving Loan unless (i) no Default or Event of Default has occurred that has not been waived, (ii) Borrower has delivered to Bank all Collateral Reports (in the form of Exhibit 7.2 hereof) which Borrower is required to deliver on or prior to the date of such Loan pursuant to this Agreement, and (iii) the most recent Collateral Report delivered by Borrower is true and correct in all respects as of the date of such Loan. Notwithstanding the foregoing, Bank shall advance up to Two Hundred Thousand Dollars (\$200,000.00) to Borrower at closing to pay for closing costs and other advances and prepayments made by Borrower in connection with the purchase of the Purchased Business, provided, however, that such advance shall be repaid by Borrower within ninety (90) days from the date of this Agreement with the proceeds from the sale of surplus assets as described in Section 6.1 hereinbefore or otherwise. While restating the foregoing, Bank shall advance up to \$200,000 to Borrower at closing to pay for closing costs, other advances and prepayments made by Borrower in connection with the purchase of the Purchase Business, provided, however, that such advance shall be repaid within 90 days from the date of this Agreement with the proceeds from the sale of surplus assets as described in Section 6.1 herein before.

7.3 Acquisition.

(a) The closing of the Acquisition is occurring simultaneously with the initial Loan to Borrower. Borrower is, or will be, the owner of all of the properties which are contemplated to be acquired by Borrower pursuant to the Acquisition Agreement.

(b) Acquisition Waiver. Borrower has not waived, except with the written consent of Bank, any condition precedent to Borrower's obligation to close as set forth in the Acquisition Agreement. Borrower is not in default under the Acquisition Agreement or under any instrument or document to be delivered in connection therewith. To the best of Borrower's knowledge (i) Seller has not waived any condition precedent to Seller's obligation to close as set forth in the Acquisition Agreement and (ii) Seller is not in default under the Acquisition Agreement or under any instrument or document to be delivered in connection therewith.

(c) Acquisition Representations and Warranties. Each of the representations and warranties made by Seller to Borrower, and each of the representations and warranties made by Borrower to Seller, under the Acquisition Agreement is true and correct as of the date of this Agreement.

(d) Assignment. Borrower hereby assigns to Bank each and every one of Borrower's rights under the Acquisition Agreement, including without limitation the right to proceed directly against Seller in Bank's name and/or the name of Borrower to enforce Borrower's rights under the Acquisition Agreement against Seller or any third party. Seller has acknowledged that Borrower has assigned all of its rights under the Acquisition Agreement to Bank.

(e) Pro Forma and Projected Financial Statements. Borrower has furnished to Bank a pro forma balance sheet of Borrower as of the closing of the Acquisition and the transactions incident thereto (the "Proforma Balance Sheet"), and projected income statements and projected cash flow statements for the two (2) year period subsequent to the closing of the Acquisition (the "Projections"), prepared using good faith and best efforts by Borrower. The Projections represent Borrower's best estimate of the future operations of Borrower and are based on the assumptions stated therein, all of which are believed by Borrower to be reasonable and conservative assumptions.

Section 8. Events of Default and Remedies.

8.1 Events of Default. Any of the following events shall be an Event of Default:

(a) any representation or warranty made by Borrower or officer or member of Borrower herein, or in any other Loan Document or any document furnished to Bank by Borrower under this Agreement, is incorrect when made or when reaffirmed; or

(b) Borrower defaults in the payment of any principal or interest on any Obligation when due and payable, by acceleration or otherwise; or

(c) Borrower fails to observe or perform any covenant, condition or agreement to be observed or performed pursuant to the terms hereof, provided such default continues unremedied for 30 days after written notice thereof to Borrower by Bank; or

(d) Borrower fails to keep its assets insured as required herein, or material uninsured damage to or loss, theft or destruction of the Collateral occurs; or

(e) an Insolvency Event occurs with respect to Borrower or any guarantor of an Obligation; or

(f) Borrower defaults under the terms of any indebtedness or lease involving total payment obligations of Borrower in excess of Fifty Thousand Dollars (\$50,000.00) which is not cured within the time period permitted pursuant to the terms and conditions of such indebtedness or lease, or an event occurs which gives any creditor or lessor the right to accelerate the maturity of any such indebtedness or lease payments; or

(g) final judgment for the payment of money in excess of Twenty-Five Thousand Dollars (\$25,000.00) is rendered against Borrower and remains undischarged for ten (10) days during which execution is not effectively stayed; or

(h) except to the extent permitted by the Section entitled Pledge or Encumbrance of Assets, any of the following occurs: there is a material impairment of the value or priority of Bank's Lien in Collateral; or a notice of lien, levy or assessment is filed against Borrower or an asset of Borrower by any government authority; or a judgment or other claim becomes a Lien on any Collateral; or any asset of Borrower is seized, attached, or otherwise levied upon by a judicial officer; or

(i) any event occurs which might, in Bank's opinion, have an adverse effect on the Collateral or on Borrower's financial condition, operations or prospects; or

(j) a reportable event (as defined in the Employee Retirement Income Security Act of 1974) occurs with respect to any employee benefit plan maintained by Borrower for its employees other than a reportable event caused solely by a decrease in employment; or a trustee is appointed by a United States District Court to administer any plan; or the Pension Guaranty Benefit Corporation institutes proceedings to terminate any plan; or

(k) an Event of Default occurs under any Loan Document or the Management Agreement or any termination of the Management Agreement not approved by Bank, or any other Event of Default under any other Loan Document, including without limitation the Mortgages or the Guaranties; or

(l) any guarantor of Obligations denies his or its obligation to guaranty any Obligations then existing or attempts to limit or terminate his or its obligation to guaranty any future Obligations, including future Loans; or

(m) any person or entity holding indebtedness subordinated to any Obligation dies, terminates the subordination arrangement or asserts that it is terminated, or an Insolvency Event occurs with respect to such person or entity, or Borrower makes any payment on such subordinated debt that is not permitted by the terms of the subordination or by this Agreement; or

(n) default (continuing beyond the duration of any applicable grace period) shall occur in the observance or performance of any of the covenants and agreements contained in the Acquisition Agreement.

8.2 Remedies. If any Event of Default shall occur and be continuing:

(a) Bank may cease advancing money hereunder, and/or declare all Obligations to be due and payable immediately (and, upon the occurrence of an Event of Default based on an Insolvency Event, all Obligations shall become automatically due and payable without a declaration by Bank), whereupon they shall immediately become due and payable without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived by Borrower.

(b) Bank may set off against the Obligations, all Collateral, balances, credits, deposits, accounts or monies of Borrower then or thereafter held with Bank, including amounts represented by certificates of deposit.

(c) Bank may resort to the rights and remedies of a secured party under the Uniform Commercial Code including the right to enter any premises of Borrower, with or without legal process, and take possession of the Collateral and remove it and any records pertaining thereto and/or remain on such premises and use it for the purpose of collecting, preparing and disposing of the Collateral.

(d) Bank may dispose of the Collateral as is or at its election may refurbish, repair, improve, process, finish, operate, demonstrate and prepare for sale the Collateral, and may store, ship, reclaim, recover, protect, advertise for sale or lease, and insure the Collateral; Bank may use and operate Equipment of Borrower in order to process or finish Inventory included in the Collateral; if any Collateral consists of documents, Bank may proceed either as to the documents or as to the goods represented thereby; Bank's failure to take steps to preserve rights against any parties or property shall not be deemed to be failure to exercise reasonable care with respect to the Collateral.

(e) Bank may in its sole discretion pay, purchase, contest or compromise any encumbrance, charge or lien which in the opinion of Bank appears to be prior or superior to its Lien, and pay all expenses incurred in connection therewith.

(f) Bank may sell the Collateral at public or private sale, and Borrower shall be credited with the net proceeds of such sale only when they are actually received by Bank; any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Borrower, as provided in the Notices Section of this Agreement, ten (10) days prior to such disposition.

(g) Borrower shall upon request of Bank assemble the Collateral and any records pertaining thereto and make them available at a place designated by Bank.

(h) Bank may use, in connection with any assembly or disposition of the Collateral, any trademark, trade name, trade style, copyright, patent right, trade secret or technical process used or utilized by Borrower.

8.3 Cumulative Remedies. No remedy set forth herein is exclusive of any other available remedy or remedies, but each is cumulative and in addition to every other remedy given under this Agreement or any other agreement or now or hereafter existing at law or in equity or by statute. Bank may pursue its rights and remedies concurrently or in any sequence, and no exercise of one right or remedy shall be deemed to be an election. If Borrower fails to comply with this Agreement, no remedy of law will provide adequate relief to Bank, and Bank shall be entitled to temporary and permanent injunctive relief without the necessity of proving actual damages.

8.4 Fees and Expenses. Upon a sale, lease or other disposition of the Collateral, the proceeds shall be applied first to the expenses of retaking, holding, storing, processing and preparing for sale, selling and the like, and, to the extent permitted by law, to reasonable attorneys' fees and legal expenses, and then to the satisfaction of the Obligations secured by this Agreement. Borrower shall be liable for any deficiency.

Section 9. Miscellaneous Provisions.

9.1 Delays and Waiver. No delay or omission to exercise any right shall impair any such right or be a waiver thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. A waiver on one occasion shall be limited to that particular occasion.

9.2 Waiver by Borrower Borrower waives notice of non-payment, demand, presentment, protest, or notice of protest of any Accounts or other Collateral, and all other notices; consents to any renewals or extensions of time of payment thereof; and generally waives any and all suretyship defenses and defenses in the nature thereof.

9.3 Complete Agreement. This Agreement and the Exhibits are the complete agreement of the parties hereto and supersede all previous understandings relating to the subject matter hereof. This Agreement may be amended only by an instrument in writing which explicitly states that it amends this Agreement, and is signed by the party against whom enforcement of the amendment is sought. This Agreement may be executed in counterparts, each of which will be an original and all of which will constitute a single agreement.

9.4 Severability. If any part of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement shall not be affected thereby. The section headings herein are included for convenience only and shall not be deemed to be a part of this Agreement.

9.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of the parties hereto; however, Borrower may not assign any of its rights or delegate any of its obligations hereunder. Bank (and any subsequent assignee) may transfer and assign this Agreement and deliver the Collateral to the assignee, who shall thereupon have all of the rights of Bank; and Bank (or such subsequent assignee who in turn assigns as aforesaid) shall then be relieved and discharged of any responsibility or liability with respect to this Agreement and said Collateral. Bank may also assign partial interests or participations in the Loans to other persons. Bank may disclose to all prospective and actual assignees and participants all financial, business and other information about Borrower which Bank may possess at any time.

9.6 Subsidiaries. If Borrower has any Subsidiaries at any time during the term of this Agreement, the term "Borrower" and "Borrowers" in each representation, warranty and covenant herein shall mean "such Borrower [or Borrowers] and each Subsidiary individually and in the aggregate," and Borrower shall cause each Subsidiary to be in compliance therewith.

9.7 Notices. Any notices under or pursuant to this Agreement shall be deemed duly sent when delivered in hand or when mailed by registered or certified mail, return receipt requested, addressed as follows:

To Borrower: RMW Ventures, LLC
205 North Capitol Avenue, Suite A
Corydon, Indiana 47112

To Bank: The Fifth Third Bank
38 Fountain Square Plaza
Cincinnati, Ohio 45263
Attention: David G. Fuller
Structured Finance Department

A party may change such address by sending notice of the change to the other party or parties.

9.8 Governing Law; Jurisdiction. All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the domestic laws of the State of Indiana. Borrower agrees that the state and federal courts in Hamilton County, Ohio or any other court in which Bank initiates proceedings have exclusive jurisdiction over all matters arising out of this Agreement, and that service of process in any such proceeding shall be effective if mailed to Borrower at the address described in the Notices section of this Agreement. BANK AND BORROWER HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the Borrower and the Bank have executed this Agreement by their duly authorized officers as of the date first above written.

THE FIFTH THIRD BANK

RMW VENTURES, LLC

By David G. Fuller
David G. Fuller

By Spencer Wendelin
Spencer Wendelin

Its Structured Finance Officer

Its Manager

STATE OF OHIO)
 : ss.
COUNTY OF HAMILTON)

BEFORE ME, a Notary Public, in and for said State, personally appeared Spencer Wendelin, the Manager of RMW VENTURES, LLC, an Indiana limited liability company, who acknowledged that he/she did sign the Loan and Security Agreement and that the same is his/her free act and deed as such member and is the free act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 27th day of February, 1998.

Kimberly A. Worthing
Notary Public



KIMBERLY ANN WORTHING
Notary Public, State of Ohio
My Commission Expires 8-2-2000

STATE OF OHIO)
 : ss.
COUNTY OF HAMILTON)

BEFORE ME, a Notary Public, in and for said State, personally appeared David G. Fuller, a loan officer, of The Fifth Third Bank, a corporation, who acknowledged that he/she did sign the Loan and Security Agreement and that the same is his/her free act and deed as such officer and is the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 27th day of February, 1998.

Kimberly A. Worthing
Notary Public



KIMBERLY ANN WORTHING
Notary Public, State of Ohio
My Commission Expires 8-9-2000

EXHIBIT 2.1

BORROWING CONFIRMATION

Date: _____

The Fifth Third Bank
38 Fountain Square Plaza
Cincinnati, Ohio 45263
Attention: Asset Based Lending Department

Re: Loan and Security Agreement, dated as of _____, 1998 between RMW VENTURES, LLC and The Fifth Third Bank (the "Agreement")

Terms used herein which are defined in the Agreement shall have the same meanings as therein defined, unless the context hereof otherwise requires.

Pursuant to paragraph 2.1 of the Agreement, the Borrower hereby gives notice of its intention to borrow:

Amount: \$ _____ Date: _____

The Borrower hereby certifies that on the date hereof and on the borrowing date, and after giving effect to the Loan requested hereby, the Borrower is and shall be in compliance with all of the terms, covenants and conditions of the Agreement, and there exists and there shall exist no Event of Default under the Agreement.

RMW VENTURES, LLC.

By _____

Its _____

EXHIBIT 2.1(f)

REVOLVING NOTE

\$300,000.00

Cincinnati, Ohio
February 27, 1998

On December 31, 1999, RMW VENTURES, LLC, for value received, hereby promises to pay to the order of THE FIFTH THIRD BANK (the "Bank") at its offices, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, in lawful money of the United States of America and in immediately available funds, the principal sum of Three Hundred Thousand Dollars (\$300,000.00) or such lesser unpaid principal amount as may be advanced by the Bank pursuant to the terms of the Loan and Security Agreement of even date herewith between the Borrower and the Bank, as same may be amended from time to time (the "Agreement").

The principal balance hereof outstanding from time to time shall bear interest at a rate one-half of one percent (.5%) per year above the Prime Rate (as defined below) of Bank in effect from time to time. The interest rate shall change automatically upon each change in the Prime Rate. Interest will be calculated based on a 360-day year and charged for the actual number of days elapsed, and will be payable on the first day of each calendar month. After the occurrence of an Event of Default, this Note shall bear interest (computed and adjusted in the same manner, and with the same effect, as interest hereon prior to maturity), payable on demand, at a rate per annum equal to four percent (4%) above the rate that would otherwise be in effect, until paid, and whether before or after the entry of judgment hereon or in the alternative Bank may impose a fixed charge of Fifty Dollars (\$50.00).

The Prime Rate means the rate of interest per annum announced to be its prime rate from time to time by Bank at its principal office in Cincinnati, Ohio, whether or not Bank shall at times lend to borrowers at lower rates of interest, or, if there is no such prime rate, then its base rate or such other rate as may be substituted by Bank for the prime rate.

The principal amount of each loan made by the Bank and the amount of each prepayment made by the Borrowers shall be recorded by the Bank on the schedule attached hereto or in the regularly maintained data processing records of the Bank. The aggregate unpaid principal amount of all loans set forth in such schedule or in such records shall be presumptive evidence of the principal amount owing and unpaid on this Notes. However, failure by Bank to make any such entry shall not limit or otherwise affect Borrower's obligations under this Note or the Agreement.

This Note is the Revolving Note referred to in the Agreement, and is entitled to the benefits, and is subject to the terms, of the Agreement. The principal of this Note is prepayable in the amounts and under the circumstances, and its maturity is subject to acceleration upon the terms, set forth in the Agreement. Except as otherwise expressly provided in the Agreement, if any payment

on this Note becomes due and payable on a day other than one on which Bank is open for business (a "Business Day"), the maturity thereof shall be extended to the next Business Day, and interest shall be payable at the rate specified herein during such extension period.

In no event shall the interest rate on this Note exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that a court determines that Bank has received interest and other charges under this Notes in excess of the highest permissible rate applicable hereto, such excess shall be deemed received on account of, and shall automatically be applied to reduce the amounts due to Bank from the Borrower under this Note, other than interest, and the provisions hereof shall be deemed amended to provide for the highest permissible rate. If there are no such amounts outstanding, Bank shall refund to Borrower such excess.

Borrower and all endorsers, sureties, guarantors and other persons liable on this Note hereby waive presentment for payment, demand, notice of dishonor, protest, notice of protest and all other demands and notices in connection with the delivery, performance and enforcement of this Note, and consent to one or more renewals or extensions of this Note.

This Note may not be changed orally, but only by an instrument in writing.

This Note is being delivered in, is intended to be performed in, shall be construed and enforceable in accordance with, and be governed by the internal laws of, the State of Indiana without regard to principles of conflict of laws. Borrower agrees that the State and federal courts in Hamilton County, Ohio or any other court in which Bank initiates proceedings have exclusive jurisdiction over all matters arising out of this Note, and that service of process in any such proceeding shall be effective if mailed to Borrower at the address described in the Notices section of the Agreement. BORROWER HEREBY WAIVES THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS NOTE.

RMW VENTURES, LLC

By _____
Spencer Wendelin

Its Manager

EXHIBIT 2.2(a)

TERM NOTE

\$1,700,000

Cincinnati, Ohio
February 27, 1998

RMW VENTURES, LLC, an Indiana limited liability company (the "Borrower"), for value received, hereby promises to pay to the order of THE FIFTH THIRD BANK (the "Bank") at its offices, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, in lawful money of the United States of America, the principal sum of One Million Seven Hundred Thousand (\$1,700,000) Dollars together with interest as set forth herein. Interest on the outstanding principal balance of this Note will accrue at a rate per annum equal to the fixed rate of eight and 26/100 percent (8.26%). Interest shall be calculated on the basis of a year of 360 days and charged for the actual number of days elapsed. Principal and interest shall be payable in immediately available funds at the principal office of Bank. After the occurrence of any Event of Default, this Note shall bear interest (computed and adjusted in the same manner, and with the same effect, as interest hereon prior to maturity), payable on demand, at a rate per annum equal to four percent (4%) above the rate that would otherwise be in effect, until paid, and whether before or after the entry of judgment hereon or in the alternative the Bank may impose a fixed charge of \$50.00; this provision does not constitute a waiver of any Events of Default or an agreement by Bank to permit any late payments whatsoever.

Prime Rate means the rate of interest per annum announced as its prime rate from time to time by Bank at its principal office in Cincinnati, Ohio, whether or not Bank shall at times lend to borrowers at lower rates of interest or, if there is no such prime rate, then its base rate or such other rate as may be substituted by Bank for the prime rate.

The principal amount of this Note will be payable in sixty (60) monthly installments, due on the first day of each calendar month, commencing April 1, 1998, with a final payment on March 1, 2003. The first twenty-four (24) installments of principal shall each be in the amount of Seven Thousand Five Hundred Dollars (\$7,500.00) each. The next twenty-four (24) installments of principal (being the twenty-fifth (25) through forty-eighth (48) payments) shall each be in the amount of Ten Thousand Eight Hundred Thirty-Three Dollars (\$10,833.00). The next eleven installments of principal (being the forty-ninth (49) through fifty-ninth payments) shall each be in the amount of Thirteen Thousand Seven Hundred Fifty Dollars (\$13,750.00). On March 1, 2003, the sixtieth and final installment shall be in the amount of the entire unpaid principal balance plus all accrued, unpaid interest and all other sums due under the Loan Documents. Accrued interest will be due and payable on the due date of each principal payment.

This Note is the Term Note referred to in the Loan and Security Agreement between the Borrower and the Bank of even date herewith, as it may be amended from time to time (the

"Agreement"), and is entitled to the benefits, and is subject to the terms, of the Agreement. The principal of this Note is prepayable in the amounts and under the circumstances, and its maturity is subject to acceleration upon the terms, set forth in the Agreement. Except as otherwise expressly provided in the Agreement, if any payment on this Note becomes due and payable on a day other than one on which Bank is open for business (a "Business Day"), the maturity thereof shall be extended to the next Business Day, and interest shall be payable at the rate specified herein during such extension period.

In no event shall the interest rate on this Note exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that a court determines that Bank has received interest and other charges under this Note in excess of the highest permissible rate applicable hereto, such excess shall be deemed received on account of, and shall automatically be applied to reduce the amounts due to Bank from the Borrower under this Note, other than interest and discount charges, in the inverse order of maturity, and the provisions hereof shall be deemed amended to provide for the highest permissible rate. If there are no such amounts outstanding, Bank shall refund to Borrower such excess.

Borrower and all endorsers, sureties, guarantors and other persons liable on this Note hereby waive presentment for payment, demand, notice of dishonor, protest, notice of protest and all other demands and notices in connection with the delivery, performance and enforcement of this Note, and one or more extensions and renewals of this Note.

This Note may not be changed orally, but only by an instrument in writing.

This Note is being delivered in, is intended to be performed in, shall be construed and enforceable in accordance with, and be governed by the internal laws of, the State of Indiana without regard to principles of conflict of laws. Borrower agrees that the State and federal courts in Hamilton County, Ohio or any other court in which Bank initiates proceedings have exclusive jurisdiction over all matters arising out of this Note, and that service of process in any such proceeding shall be effective if mailed to Borrower at its address described in the Notices section of the Agreement. BORROWER HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS NOTE.

RMW VENTURES, LLC

By _____
Spencer Wendelin

Its Manager

STATE OF OHIO)
 : ss.
COUNTY OF HAMILTON)

BEFORE ME, a Notary Public, in and for said State, personally appeared Spencer Wendelin, of RMW Ventures, LLC who acknowledged that he did sign the Promissory Note and that the same is his free act and deed as such Member and is the free act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 27th day of February, 1998.

Notary Public

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Principal Paid	Unpaid Principal Balance

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Principal Paid	Unpaid Principal Balance	Interest Rate	Expiration Date of Interest Period

EXHIBIT 2.3

LETTER OF CREDIT NOTE

\$600,000.00

Cincinnati, Ohio
February 27, 1998

ON DEMAND, RMW VENTURES, LLC, an Indiana limited liability company (the "Borrower") for value received, hereby promises to pay to the order of THE FIFTH THIRD BANK (the "Bank") at its offices, 38 Fountain Square Plaza, Cincinnati, Ohio 45263, in lawful money of the United States of America and in immediately available funds, the principal sum of up to Six Hundred Thousand Dollars (\$600,000.00) or such lesser unpaid principal amount as may be advanced by the Bank upon any draw under the Bank's Letter of Credit, which Letter of Credit is in the initial face amount of \$600,000, is drawn on the account of RMW Ventures, LLC for the benefit of The Ohio Rail Development Commission (the "Letter of Credit"), and is issued pursuant to the terms of the Loan and Security Agreement of even date herewith between the Borrower and the Bank, as same may be amended from time to time (the "Agreement"). Principal payments and interest accrued thereon shall be due only to the extent of Bank's honoring a drawing under the Letter of Credit.

The principal balance hereof outstanding from time to time shall bear interest at a rate two percent (2%) per year above the Prime Rate (as defined below) of Bank in effect from time to time. The interest rate shall change automatically upon each change in the Prime Rate. Interest will be calculated based on a 360-day year and charged for the actual number of days elapsed, and will be payable on the first day of each calendar month. After the occurrence of an Event of Default, this Note shall bear interest (computed and adjusted in the same manner, and with the same effect, as interest hereon prior to maturity), payable on demand, at a rate per annum equal to four percent (4%) above the rate that would otherwise be in effect, until paid, and whether before or after the entry of judgment hereon or in the alternative Bank may impose a fixed charge of Fifty Dollars (\$50.00).

The Prime Rate means the rate of interest per annum announced to be its prime rate from time to time by Bank at its principal office in Cincinnati, Ohio, whether or not Bank shall at times lend to borrowers at lower rates of interest, or, if there is no such prime rate, then its base rate or such other rate as may be substituted by Bank for the prime rate.

The principal amount of each loan made by the Bank and the amount of each prepayment made by the Borrower shall be recorded by the Bank on the schedule attached hereto or in the regularly maintained data processing records of the Bank. The aggregate unpaid principal amount of all loans set forth in such schedule or in such records shall be presumptive evidence of the principal amount owing and unpaid on this Note. However, failure by Bank to make any such entry shall not limit or otherwise affect Borrower's obligations under this Note or the Agreement.

This Note is the Letter of Credit Note referred to in the Agreement, and is entitled to the benefits, and is subject to the terms, of the Agreement. This Letter of Credit Note is secured by the Collateral as described in the Agreement and is guaranteed by the Guaranties as described in the Agreement. Except as otherwise expressly provided in the Agreement, if any payment on this Note becomes due and payable on a day other than one on which Bank is open for business (a "Business Day"), the maturity thereof shall be extended to the next Business Day, and interest shall be payable at the rate specified herein during such extension period.

In no event shall the interest rate on this Note exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that a court determines that Bank has received interest and other charges under this Notes in excess of the highest permissible rate applicable hereto, such excess shall be deemed received on account of, and shall automatically be applied to reduce the amounts due to Bank from the Borrower under this Note, other than interest, and the provisions hereof shall be deemed amended to provide for the highest permissible rate. If there are no such amounts outstanding, Bank shall refund to Borrower such excess.

Borrower and all endorsers, sureties, guarantors and other persons liable on this Note hereby waive presentment for payment, demand, notice of dishonor, protest, notice of protest and all other demands and notices in connection with the delivery, performance and enforcement of this Note, and consent to one or more renewals or extensions of this Note.

This Note may not be changed orally, but only by an instrument in writing.

This Note is being delivered in, is intended to be performed in, shall be construed and enforceable in accordance with, and be governed by the internal laws of, the State of Indiana without regard to principles of conflict of laws. Borrower agrees that the State and federal courts in Hamilton County, Ohio or any other court in which Bank initiates proceedings have exclusive jurisdiction over all matters arising out of this Note, and that service of process in any such proceeding shall be effective if mailed to Borrower at the address described in the Notices section of the Agreement. BORROWER HEREBY WAIVES THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS NOTE.

RMW VENTURES, LLC

By _____
Spencer Wendelin

Its Manager

EXHIBIT 2.3(b)

FORM OF INITIAL LETTER OF CREDIT

EXHIBIT 3.1
LIST OF RAILROAD ASSETS

Debtor/Borrower hereby grants Secured Party a security interest in all of the following Collateral now owned or hereafter acquired or arising:

(a) ACCOUNTS: all accounts, contract rights, instruments, documents, chattel paper, and all obligations in any form arising out of the sale or lease of goods or the rendition of services by Debtor; all guaranties, letters of credit and other security for any of the above; all merchandise returned to or reclaimed by Debtor; and all books and records (including computer programs, tapes and data processing software) evidencing an interest in or relating to the above.

(b) INVENTORY: any and all goods, supplies, wares, merchandise and other tangible personal property, including raw materials, work in process, supplies and components, and finished goods, whether held for sale or lease, or furnished or to be furnished under any contract for service, and also including products of and accessions to inventory, packing and shipping materials, and all documents of title, whether negotiable or non-negotiable, representing any of the foregoing.

(c) EQUIPMENT: All machinery, machine tools, equipment, fixtures, office equipment, furniture, furnishings, motors, motor vehicles, tools, dies, parts, jigs, goods (including, without limitation, each of the items of equipment set forth on any schedule attached hereto), and all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, and all supplies used or useful in connection therewith.

(d) GENERAL INTANGIBLES: all general intangibles, choses in action, causes of action, all other obligations or indebtedness owed to Debtor from any source whatsoever, and all other intangible personal property of every kind and nature (other than Accounts) including without limitation patents, trademarks, trade names, service marks, copyrights and applications for any of the above, and goodwill, trade secrets, licenses, franchises, rights under agreements, tax refund claims, and all books and records including all computer programs, disks, tapes, printouts, customer lists, credit files and other business and financial records, and the equipment containing any such information.

(e) all proceeds and products of Collateral and all additions and accessions to, replacements of, insurance or condemnation proceeds of, and documents covering Collateral, all tort or other claims arising out of damage or destruction of Collateral, all property received wholly or partly in trade or exchange for Collateral, all leases of collateral and all rents, revenues, issues, profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition, of the Collateral or any interest therein.

(f) all instruments, documents, securities, money or other property, owned by Debtor or in which Debtor has an interest, which now or hereafter are at any time in the possession or control of Secured Party or in transit by mail or carrier to or in the possession of any third party acting on behalf of Secured Party, without regard to whether Secured Party received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether Secured Party had conditionally released the same, and any deposit accounts of Debtor with Secured Party, including all demand, time, savings, passbook or other accounts.

(g) All machinery and equipment listed in **Schedule "I"**, consisting of the locomotives; the rail car fleet; the rubber tire equipment; the M/W On-Track equipment; all maintenance tools; all radio equipment and inventory and all other machinery, equipment, tools, (including hand tools), inventory, and other items normally kept or used in connection with the operation of each or all of the Lines and specifically including all switch and other keys, locks or other entry or control devices related to any of the physical assets or operations of these lines whether or not specifically listed in **Schedule "I"**.

(h) Connersville Line - All of the real operating property, improvements and appurtenances comprising the line of railroad generally running from and between Connersville (at or near Mile Post 0.0 of that line) to Beesons (M.P. 0.05.1) (specifically, that line of railroad acquired by the Debtor under deed from R. Franklin Unger, as Trustee, dated 2/27/98 and recorded in the Fayette County, Indiana Recorder's Office as Instrument Number _____ and Wayne County, Indiana Recorder's Office as Instrument Number _____), including all roadbed, main tracks, sidings, spurs, depots, yards, storage and parking areas, connecting tracks, bridges, culverts, buildings, structures, communication and signal facilities, which are appurtenant to and used in the operation of this railroad line (the "Appurtenant Facilities") and all real operating property underlying this line as right-of-way, and all other real operating property of Indiana Hi-Rail Corporation which is contiguous, adjacent to or otherwise related to this line of railroad, whether part of the right-of-way or not.

All of Borrower's right, title and interest in the Agreement with Norfolk and Western Railway Company dated December 18, 1997, subject to the approval of Norfolk and Western Railway Company and all associated agreements, including but not limited to the "Assignment Agreement" dated February 11, 1991 and the associated interchange agreements with Conrail, dated November 1, 1991 and with Norfolk Southern, dated June 15, 1989. The said Lease Option Agreement and associated agreements all covering that line of railroad from and between Beesons (at or near Mile Post CB 4.8, more or less of that line) to New Castle, Indiana (at or near Mile Post 25.6, more or less (Thornburg Street)), including all Appurtenant Facilities to this railroad line, specifically including, but not limited to, all such track situated at or between New Castle and Beesons, among those being the tracks now or formerly known as the "Beesons Storage Tracks" and the "New Castle Industrial Track" or "New Castle Switch Lead" (the latter being the remaining portion of the former Norfolk & Western branch between New Castle and Rushville, Indiana (approximately M.P. 0.0 to 1.82, more or less of that line).

(i) Defiance (Maumee) Line - All of the real operating property improvements and appurtenances on or about the line of railroad generally running from and between Liberty Center, Ohio (at or near M.P. 27.4, more or less, of that line) and to Woodburn, Indiana (at or near M.P. 77.8, more or less, of that line), being approximately 50.4 miles in length, all Appurtenant Facilities to this railroad line, and all other real operating property which Debtor now owns or will (as a result of the exercise of its option with Norfolk & Western) own or control which is contiguous, adjacent to or otherwise related to his line of railroad, whether part of the right-of-way of railroad or not. All real operating property shown on any of the Valuation Maps (reference) which is now or was formerly owned by the Norfolk & Western, Wabash Railroad, Norfolk Southern, Pocahontas Land Company or any predecessor, affiliated or subsidiary company of any of them pertaining to this railroad line. In addition, access to and control of other tracks necessary to effect connection to and interchange with the CSX Railroad at Defiance, Ohio and the Norfolk Southern at Woodburn, Indiana, and the easement to real property at or near Liberty Center, Ohio (approximate M.P. 30.3 plus or minus) acquired by Indiana Hi-Rail Corporation from Milton Overmier and Beverly A. Overmier in the Township of Liberty, Henry County, Ohio and dated February 28, 1991, for the purpose of construction of connecting/interchange trace between this Defiance Line and the track now owned and operated by the Grand Trunk Western Railroad a subsidiary of Canadian National Railways at or near the same location, and the perpetual "mutual use" of that tract of the above-mentioned Norfolk Southern Defiance line between M.P. 77.8 and 78.7 of that line, including the exclusive rights to provide all freight service to all customers at, along, adjacent to or otherwise serviceable from this stretch of track, being the same as included at item 2.c in an Agreed Entry and Stipulation in the matter of in Re: Sagamore National Corporation and Indiana Hi-Rail Corporation between the Trustee and Norfolk Southern Corporation entered with the United States Bankruptcy Court, Southern District of Indiana, Indianapolis Division in Case No. IP94-08502-RLB-11.

(i) Defiance (Maumee) Line - All of the real operating property improvements and appurtenances on or about the line of railroad generally running from and between Liberty Center, Ohio (at or near M.P. 27.4, more or less, of that line) and to Woodburn, Indiana (at or near M.P. 77.8, more or less, of that line), being approximately 50.4 miles in length, all Appurtenant Facilities to this railroad line, and all other real operating property which Debtor now owns or will (as a result of the exercise of its option with Norfolk & Western) own or control which is contiguous, adjacent to or otherwise related to his line of railroad, whether part of the right-of-way of railroad or not. All real operating property shown on any of the Valuation Maps (reference) which is now or was formerly owned by the Norfolk & Western, Wabash Railroad, Norfolk Southern, Pocahontas Land Company or any predecessor, affiliated or subsidiary company of any of them pertaining to this railroad line. In addition, access to and control of other tracks necessary to effect connection to and interchange with the CSX Railroad at Defiance, Ohio and the Norfolk Southern at Woodburn, Indiana, and the easement to real property at or near Liberty Center, Ohio (approximate M.P. 30.3 plus or minus) acquired by Indiana Hi-Rail Corporation from Milton Overmier and Beverly A. Overmier in the Township of Liberty, Henry County, Ohio and dated February 28, 1991, for the purpose of construction of connecting/interchange trace between this Defiance Line and the track now owned and operated by the Grand Trunk Western Railroad a subsidiary of Canadian National Railways at or near the same location, and the perpetual "mutual use" of that tract of the above-

mentioned Norfolk Southern Defiance line between M.P. 77.8 and 78.7 of that line, including the exclusive rights to provide all freight service to all customers at, along, adjacent to or otherwise serviceable from this stretch of track, being the same as included at item 2.c in an Agreed Entry and Stipulation in the matter of in Re: Sagamore National Corporation and Indiana Hi-Rail Corporation between the Trustee and Norfolk Southern Corporation entered with the United States Bankruptcy Court, Southern District of Indiana, Indianapolis Division in Case No. IP94-08502-RLB-11.

(j) Bluffton (St. Mary) Line - All of the real operating property, improvements and appurtenances on or about the line of railroad generally running from and between Craigville, Indiana (at or near M.P. 117.8 or that line) and to Van Buren, Indiana (at or near Mile Post 144.2 of that line), being approximately 26.4 miles in length, including all Appurtenant Facilities to this railroad line; and all other real property which Debtor now owns or will (as a result of the exercise of its option with Norfolk & Western) own or control which is contiguous, adjacent to or otherwise related to the operation of this railroad line, whether part of the operating right-of-way or not. All property shown in **Schedule "II"** and including perpetual trackage rights over that portion of the Norfolk Southern's line in Bluffton (approximately M.P. 123.0 to 123.8) currently or formerly known as the Norfolk Southern New Castle District line between New Castle, and Ft. Wayne, Indiana, and the transfer of access to or control of other tracks necessary to effect connection to and interchange with the Norfolk Southern at Bluffton and at Van Buren, Indiana.

(k) All tenements, hereditaments, privileges, appurtenances and easements belonging or in any way appertaining to the real operating property comprising the Lines;

(l) All crossing agreements, leases; licenses; wire, pipe, and other rental or usage agreements and contracts providing rights to third parties pertaining to the Lines, all of which shall be assigned to Borrower at Closing;

(m) All of Borrower's right, title and interest in the trade fixtures whether semi or permanently affixed or installed equipment which is customarily kept, used or stored on, along, under, or upon the right-of-way or adjacent property and used in the operation of the Lines.

(n) All office fixtures, equipment, machines, furnishings and computer hardware, software, diskettes, tapes and other computer media containing any data or record storage relating to any or all of the Lines, together with all programs, installed or not, data bases and all related object and source codes, manuals and guides, whether listed in **Schedule "I"** or not.

(o) All of Borrower's right, title and interest in and to the freight operating franchises for the Lines, whether such franchises are currently held by Seller or by any related entity, including assignment of all rights and interests in any interchange agreements, trackage rights, joint facility agreements, side track agreements and all other related operating agreements or arrangements relating to any of the Lines (the "Operating Agreements"). A list of which is attached hereto as **Schedule "III"**. Borrower shall assume all tariffs; exempt quotations; transportation contracts; officially published station lists; equipment lists; divisional agreements or related intercarrier

agreements concerning revenues, freight claims or per diem or other car billing or repair matters; and all other associated agreements of whatever type associated with the operation of any or all of the Lines. Borrower agrees to support Borrower's assumption of all such agreements and arrangements before any regulatory or administrative agency with jurisdiction over such assignment or transfer and shall use its best efforts to obtain third party approval, if necessary for such transfers or assignments.

(p) All of Borrower's right, title and interest in its equipment leases (including the car lease agreement for twelve (12) 80' double door, high cube auto parts box cars currently assigned to the "Ford pool" based at Connersville, Indiana, and including the lease of Locomotive 365), agreements (including all crossing agreements), all governmental authority, licenses and permits (including environmental permits), necessary and/or related to the operation of the Lines or of the other Assets, whether such leases, contracts (including contracts of carriage), agreements, licenses and permits where in the name of the Borrower or in the names of officers or agents of the Borrower, all of which shall be assigned to Borrower at Closing (the "Assigned Agreement"). A complete list of the Assigned Agreements is attached hereto as **Schedule "IV"**.

(q) The originals and all known copies of all books and records, contracts, leases, crossing or license agreements relating to the management, accounting, operation or customer marketing of the Lines, including all customer files and lists, customer prospect lists and files, order books, order files, credit histories for each customer, supplier lists and other supplier information, purchasing records, invoices, all software and associated licensing agreements, all regardless of whether kept in paper, electronic or other media form. Seller shall use its best efforts to have all such contracts and agreements, leases or license agreements assigned and the originals of the same delivered to Borrower at closing. In the event that any such agreements or contracts remain in the possession of Norfolk Southern or any affiliated company at closing, Seller shall cooperate with and assist Borrower to obtain the same from Norfolk Southern, using Seller's best efforts.

(r) The originals (whether on sepia, mylar, acetate, paper or linen stock) and all known copies of all engineering drawings, calculations, construction drawings and records any repair drawings and records for any and all Appurtenant Facilities on or about any of the property to be transferred to Borrower, regardless of its location on any of the Lines. Seller shall use its best efforts to assure that all originals and known copies of all such drawings, calculations and records are delivered to Borrower on or before closing. In the event that any such original drawing(s), calculation(s) or record(s) remain in the possession of Norfolk Southern or any affiliated company at closing, Borrower shall obtain the same from Norfolk Southern, using Borrower's best efforts.

(s) The rights to use the telephone numbers used by the Borrower in the operation of the lines.

(t) All deposits or prepayments on future services, demurrage, prepayment of freight or switching, demurrage, detention or other similar charges, and including all pre-paid rents under any lease, license, crossing or other similar agreements, or any other "customer payment whatsoever under any of the agreements, contracts, leases, licenses contemplated herein to be transferred to

Borrower, including without limitation all such customer, lessee or license deposits and prepayments made on or before the date of this Agreement.

(u) All rents received or otherwise in the possession of Borrower for any lease, license, crossing, easement or other similar agreement.

(v) All maintenance and repair records of the Borrowers, including all contracts, agreements, correspondence, records, invoices or other materials relating to the performance of any such maintenance or repairs by any “outside” contractor or party any any supplier of any parts or materials for such maintenance or repairs.

SCHEDULE I
LIST OF EQUIPMENT, ETC.

LOCOMOTIVE ROSTER

Unit No.*	Manufacturer/ Model	H.P.	Built	Status
221	EMD SW-1200	1200	1957	IN SERVICE
223	EMD SW-1200	1200	1955	IN SERVICE
303	EMD GP-20	2000	1960	In service as No. 203
310	Alco C-420	2000	1964	In service
315	Alco C-420	2000	1966	In service
325	Alco C-425	2500	1965	In service
327	Alco C-425	2500	1966	OSS
332	Alco C-420	2000	1967	In service
334	Alco C-420	2000	1967	In service
335	Alco C-420	2000	1965	In service
342	EMD GP-7U	1500	1981-R	OSS
343	EMD GP-7U	1500	1981-R	OSS
344	EMD GP-7U	1500	1981-R	In service
OHCR 2393	EMD GP-35	2500		control Blue
345	EMD GP-7U	1500	1981-R	In service
OHCR 2257	EMD GP-35	2500		control Blue
371	EMD GP-35	2500	1965	In service
373	EMD GP-35	2500	1965	In service
442	Alco RSD-15	2400	1958	In service
443	Alco RSD-15	2400	1958	In service

R - Rebuild date

Notes: Cannibalized for parts, stored as:

OSS - out-of-service

* - All unit I.D.s with "IHRc" pre-fixes, except as noted.

Revised

RUBBER TIED EQUIPMENT

ASSET	MAKE	MEG. OR OTHER ID#	DESCRIPTION/STATUS
Tractors, Backhoe, Forklifts:			
MV85001	M/V	114983	Massey Ferguson tractor and 3-point mower attachment
MV89001	CASE	8953319	Forklift
MC91001	CASE	9868605	Model 580E backhoe/loader with reg. and tie inserter buckets
MV92001	CASE	17039375	Model 580E backhoe/loader with re. and tie inserter buckets
MV83500	CASE	RM 500 Model	Model 580C backhoe/loader, OSS
MV87580	CASE	(TMA #215)	Model 580C backhoe/loader
(TMA #219)	CASE	Model 584	Hi-Lift Tractor
Vehicles - Heavy Duty:			
VH75001	FORD	U81DVX12344	Block Truck LT-80
VH76002	FORD	F70EVB88595	Flatbed Truck
Vehicles - Light Duty:			
VL84003	FORD	IFTEF25G6ELA82425	F250 pickup truck
VL89005	FORD	1FA8P55U5KA273242	Taurus Wagon, white, OSS
VL9007	DODGE	1B7JE26Y7LS709502	D250 pickup truck
VL90007	DODGE	JB7FL29W6LP030460	RAM 50 pickup truck
VL91002	FORD	KNJFT05116M6113729	2-Door Festiva

VL92007 GMC IGKMD15Z3NB550411

Safari Van, white

Vehicles - licensed road/rail (all by-rail equipped):

VR79003	INTERNAT'L	AA192JCA17608	Boom/dump truck
VR79004	INTERNAT'L	AA192CA17628	Boom/dump truck
(TMA #144)	FORD	1FDHE37G5CHB05370	Flatbed, toolside truck
VR92001	FORD	1FTHF25H4NLA15201	F250 pickup truck
VR92004	GMC	1GTGC24K8NE504948	Sierra 2500 pickup truck
VR93002	FORD	1FTHF25H1PNA52360	F250 pickup truck
VR93003	GMC	1GTGC24K9PE554485	Sierra 2500 pickup truck
VL90001	FORD	1FTEF25N8LNA140459	F250 pickup truck - Signal truck
VL90005	FORD	1FTCR14T2LPA67482	Ranger, small pickup truck
VR82003	FORD	1FDHE37G5CHB05370	truck

Trailers:

VS86003	CZE	CZ12308617	Phillips, Yellow HD trailer
VS92001	ASM	MVIN96560IND	White trailer, car hauler
VS940	TRAIL KING	1TKC02425RM026452	10 ton trailer

REVISED
LIST # 1
RAIL CAR FLEET

CAR NUMBER*	CAR TYPE	COMMENT/STATUS
502	CABOOSE	friction bearing
GSOR 503	CABOOSE	
GSOR 504	CABOOSE	
505	CABOOSE	
910	OPEN HOPPER	N of W
911	OPEN HOPPER	N of W
912	OPEN HOPPER	N of W
900	OPEN HOPPER	N of W
904	OPEN HOPPER	N of W
960	GONDOLA	N of W
961	GONDOLA	N of W
1003	FLAT	N of W
Sou 36917	Boxcar	Stationary
NW 327146	TOOL CAR/ WORK CABOOSE	N of W - Stationary
1301	50' BOXCAR	Equipped w/bulkheads
66000	60' BOXCAR	
66001	60' BOXCAR	
66002	60' BOXCAR	

* - all with IHRC pre-fixes, unless otherwise noted

Maintenance of Way - "On Track" Equipment

<u>I.D. Number</u>	<u>Description</u>	<u>Model/Status</u>
NR92002	TAMPER	Model EJB
NR83003	BALLAST REGULATOR	KERSHAW 26-1-12, OSS
NR92003	LINER	RMC-AX, OSS
(TMA #225)	SPEEDER	FAIRMONT, ICC 9063
NT89003	WEED SPRAYER UNIT	AS-MADE, SNYDER ENDS., truck mountable
MV87001	TRACK MOBILE	Model TM-7, OSS

note: OSS - indicated out-of-service, not operational.

MAINTENANCE TOOLS (NOT HAND):

<u>ASSET ID No.</u>	<u>DESCRIPTION</u>	<u>COMMENT/STATUS</u>
MT86001	NOTSEY	Connersville, OSS
MT87002	RAIL SAW	Model TK8368, OSS
MT87003	RAIL DRILL	
MT88001	RAIL SAW	RACINE MFG.
MT89002	LOCOMOTIVE SANDER	TOPPER MFG.
MT89003	WEED SPRY UNIT	
MT89005	RAIL DRILL	
MT89006	ELECTRIC WELDER	LINCOLN, Model AC-225S
MT90002	GAS WELDER	LINCOLN, Model WP225G7
(TMA # 247)	WEED WACKER	Ser. No. A1172910
(TMA # 246)	LAWN TRACTOR/MOWER	STIHL, Model F566
		SEARS/CRAFTSMAN Model
		"11" Cat. No. 1917.
		254750, Ser. No.
		031892s001044
(TMA # 240)	HYDRALLIC FLOOR JACK	Auto, Orange
(TMA # 238)	BENCH GRINDER	MAKITA Model 5080
(TMA # 237)	GAS POWR'D CHAINSAW	HOMELITE Model XL,
		Ser. No. HN3090790, OSS
(TMA # 226)	HYDRALLIC PRESS/BREAK	30-Ton, CAROLINA,
		Model CP100, 25711
(TMA # 158)	ELE. BENCH GRINDER	CENTRAL MACHINE
(TMA # 174) MT92001	H. Duty Locomotive Jack	Red, wheeled
Note: OSS - out of service, not operational.		
(TMA # 175) MT92002	H. Duty Locomotive Jack	Blue, wheeled
MT 89001	Stationary Air Compressor	Model AC-225-S, Code 8370-010
TE 89001	Lincoln arc welder	
(TMA # 059)	Briefcase Voltage tester	Model 5210, EV-3 1023
(TMA # 193)	re-rail frog	
(TMA # 194)	re-rail frog	
(TMA # 181)	part washer	
(TMA # 236)	Locomotive Sander	Blue w/ Red top
(TMA # 241)	Locomotive access work stand	Yellow
(TMA # 246)	Craftsman "11" Lawn Tractor	Model 917.254750
(TMA # 247)	Stihl Gas weed Wacker	Ser# 031892PS00344
TMA # 237	Homelite chain saw	F 566

INDIANA HI-RAIL CORP.
RADIO INVENTORY

Radio <u>Vehicle</u>	Serial Number	Type Regency
Vehicle Radio	41A54214	Regency
VR 79003	426FNG3204	.
VL 90005	41A46697	.
VL 94001	305050056	.
VR 92009	681A16873	.
VR 79004	41A54603	.
VR 93003	41A41638	.
VR 92001	681A08069	.
VL 90003	41A52321	.
VR 93002	681A13778	.
VR 93004	881A9788	.
VL 92008	306A13875	.
VL 92006	681A08366	.
VL 93002	309A14802	.
VL 93001	681A00113	.
VH 75001	309A13742	.
VL 91004	309A14882	.
Unassigned	309A14141	.
.	41A47505	.
.	41A39069	.
.	251A17481	.
.	309A14289	.
.	Shoo	.
Defiance Yard Office	681A6660	Regency
Vehicle Radio	com h 44b	.
Olney Yard Office	No#	.
Connersville Yc Office	No#	.
Vehicle Radio	300-A 14673, 600-697-2	Regency
Radio Equipment	RS-20A	Astron
Hand Radio		

HT 90	47GANG1507	REL	003827
.	47GAJ0132X	.	005232
.	15E05169503	.	005221
.	15E05169503	.	003827
.	NTN7433A	.	005235
HT 500	65!AQG1114	HT 92	#6
.	55AQG1115		
.	55!APO1050		
.	55APU1837		

Hand radio charger NTN 4633bn+
 " " " NTN 76455a
 " " " NTN 45?? 9002
 Hand Radio part 110N

④ Hand Radio Batteries

Motrola #5
 " #3
 " #4
 Motrola (TMB # 094/102)
 motrola

ACCOUNTING OFFICE

- (6) 4-Drawer File Cabinets
- (1) 5-Drawer File Cabinet
- (2) Desks with overhead credenza
- (2) Printer Stands
- (1) Metal Storage Cabinet
- (1) 6-Section Binder Storage
- (2) Arm Chairs (swivel)
- (1) Rolling File Bin
- (2) 10-Key Calculators
- ~~(1) Dot Matrix Printer LQ-1070 Epson~~
- ~~(1) Dot Matrix Printer FX-1624 Panasonic~~
- (3) Pentium PC's (Desktop)

COPY/FAX ROOM

- (1) HP Fax 310
- (1) Canon Faxphone B550
- (1) Copier: Savin 9180
- (1) Copies Storage Cabinet
- (2) Desks
- (1) Printer Stand
- (2) 5-Shelf Book Cases
- (1) 3-Shelf Book Case
- (1) Open Shelving Storage Unit
- (1) Storage Cabinet
- (1) Dot Matrix Printer FX-286
- (1) Dot Matrix Printer FX-1050

STORAGE ROOM

- (2) 2-Drawer File Cabinets
- (1) 2-Drawer File Safe Cabinet
- (1) Desk
- (5) 4-Drawer File Cabinets
- (2) 5-Drawer File Cabinets
- (1) Storage Cabinet
- (5) Open Storage Shelving Units
- (1) Arm Chair (Swivel)

JRO OFFICE

- (1) Bookshelf with lower cabinet
- (1) 2-Shelf Bookcase
- (1) Printer Stand
- (1) Desk with Wing
- (1) 2-Drawer File Cabinet
- (1) Credenza
- (2) Guest Chairs
- (1) Arm Chair Swivel

JDP OFFICE

- (1) Desk
- (1) Arm Chair (Swivel)
- (1) 2-Drawer File Cabinet
- (4) Five-Drawer File Cabinets
- (1) Printer Stand

JAY OFFICE

- (1) 5-Shelf Bookcase
- (1) 2-Shelf Bookcase
- (1) Folding Table
- (2) Guest Chairs
- (1) Desk
- (1) Arm Chair (Swivel)

GPB OFFICE

- (3) 4-Drawer File Cabinets
- (1) 2-Shelf Bookcase
- (2) 5-Shelf Bookcase
- (2) Guest Chairs
- (1) Arm Chair (Swivel)
- (1) Folding Table
- (1) Desk
- (1) Credenza
- (1) Small Metal Locker
- (1) Grease Board

RFU OFFICE

- (5) 4-Drawer File Cabinets
- (1) Bookshelf with lower cabinet
- (1) 5-Shelf Bookcase
- (1) Round Conference Table
- (1) Desk
- (1) Arm Chair (Swivel)
- (2) Guest Chairs
- (1) Printer Stand

CONFERENCE ROOM

- (1) Green Wooden Cabinet
- (1) Folding Conference Table
- (3) Grease Boards
- (1) Coffee Maker
- (1) Refrigerator
- (1) Open Shelf Storage Cabinet
- (1) Microwave Oven

RECEPTION AREA

- (2) Metal Desks
- (2) Printer Stands
- (2) Guest Chairs
- (2) Secretarial Chairs
- (1) Typewriter Xerox 605
- (1) Postage Meter (Rented)
- (1) Postage Scale (Rented)
- (1) Small Magazine Rack
- ~~(1) HP 310 Laser Printer~~

OUTSIDE STORAGE

- (1) Desk

OTHER

- (1) Telephone System Norstar

PERSONAL COMPUTER INVENTORY -- ACTIVE EQUIPMENT

05-Mar-97

486-DX	486-SX	486-SX	486-SX	386-SX	486-DX	386-SX	386-SX	386-SX
16 M B	4 M B	8 M B	5 M B	8 M B	8 M B	4 M B	4 M B	4 M B
1 G B	580 M B	750 M B	500 M B	85 M B	300 M B	40 M B	40 M B	40 M B
5.25	3.5 / 5.25	3.5 / 5.25	3.5	3.5 / 5.25	3.5	5.25	5.25	5.25
6.22	6.22	33	6.22	5.00	6.22	6.22	6.22	6.22
N	3.11	3.11	3.11	N	3.11	N	N	N
N	Y	Y	Y	N	Y	N	N	N
N	2400	N	EXT 1200	N	14400	N	N	9600
PRINTER	LASERJET	DESKJET	DOT MATRIX	DOT MATRIX	DOT MATRIX	DOT MATRIX	DOT MATRIX	DOT MATRIX

Other:

1 PC 3810 Plotter

1 Teledyne, printer/plotter - model mark III (TMA #228) - South Office

SOFTWARE -

Ralcar Management Software (in computer system and in stack disks in Accounting area)

Right Hand Man Software (in computer system and in Fax area)

Novell Network Software (in computer system and in FAX area)

MAS90 Accounting Software (in computer system and in Accounting area)

4 Set of IRES Software

and all other office equipment, supplies, parts, tools, fixtures not otherwise listed.

SCHEDULE II
LEGAL DESCRIPTION

Wabash Central Railroad Corporation
Defiance Line
Huntington County, Indiana

All those strips, pieces or parcels of land situate, lying and being in Section 24, Section 23, Section 22, Section 21, the South Half and Northeast Quarter of Section 20, the Southeast Quarter of Section 19, and the North Half and Southwest Quarter of Section 30, Township 26 North, Range 10 East, the Southeast Quarter of Section 25, and the North Half and Southwest Quarter of Section 36, Township 26 North, Range 9 East, Huntington County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the east by the common line between Wells County and Huntington County, Indiana, said line crossing the original centerline of said main track at Railroad Valuation Station 6990+10, more or less (approximate Milepost Location 132.4), and bounded on the west by the common line between Huntington County and Grant County, Indiana, said line crossing said original centerline of main track at Railroad Valuation Station 7417+82, more or less (approximate Milepost Location 140.5), containing 70 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0039-R1 (Sheets 1 through 5, inclusive, of 5), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

Maumee & Western Railroad Corporation
Defiance Line
Henry County, Ohio

All those strips, pieces or parcels of land situate, lying and being in the West Half of Section 30, Township 6 North, Range 8 East; the South Half of Section 25, the Northwest Quarter of Section 36, the North Half and Southwest Quarter of Section 35, and the South Half of Section 34, Township 6 North, Range 7 East; the Northwest Quarter of Section 3, the North Half and Southwest Quarter of Section 4, the South Half of Section 5, the Northwest Quarter of Section 8, and Section 7, Township 5 North, Range 7 East; the Southeast Quarter of Section 12, the North Half of Section 13, the South Half and Northeast Quarter of Section 14, the Northwest Quarter of Section 23, the North Half and Southwest Quarter of Section 22, the South Half of Section 21, the Northwest Quarter of Section 28, the North Half and Southwest Quarter of Section 29, the South Half of Section 30, and the North Half of Section 31, Township 5 North, Range 6 East; all lying in Henry County, Ohio, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by a line perpendicular to the original centerline of said main track at Railroad Valuation Station 1463+79 (Railroad Milepost Location T-28.00), and bounded on the west by the common line between Henry County and Defiance County, Ohio, said line being the west line of Section 31, Township 5 North, Range 6 East, and also crossing said original centerline of main track at Railroad Valuation Station 2212+39.6, more or less, containing 175 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 1 through 8, inclusive, of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Wabash Central Railroad Corporation
Bluffton Line

County of Wells, State of Indiana, to-wit:

PARCEL ONE

All those strips, pieces or parcels of land situate, lying and being in the Southwest Quarter of Section 20, the Northwest Quarter of Section 30, and the South Half of Section 19, Township 27 North, Range 13 East; the West Half and Northeast Quarter of Section 25, the South Half of Section 26, the Northwest Quarter of Section 35, Section 34, and the South Half of Section 33, Township 27 North, Range 12 East, Wells County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the northeast by the easterly line, as extended, of that property described in a deed from Peter Hetrick and Catherine Hetrick, his wife, to the Toledo, Delphos & Burlington Railway Company, dated December 27, 1879, recorded in Deed Book 7, Page 447, Wells County, Indiana Records; said easterly line, as extended, crossing the original centerline of said main track at Railroad Valuation Station 6219+32 (approximate Railroad Milepost 117.6) and bounded on the west by the easterly right of way line for Norfolk and Western Railway Company's main track (former The Lake Erie and Western Railroad Company main track) as it runs between Muncie and Fort Wayne, Indiana, said right of way line being 34.5 feet eastwardly from, as measured normal to, the centerline of last said main track, and crossing the centerline of Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana at Railroad Valuation Station 6492+52, more or less, containing 38 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0037-R1 (Sheets 1 through 4, inclusive, of 4), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

PARCEL TWO

All those strips, pieces or parcels of land situate, lying and being in the Southwest Quarter of Section 4, the Southeast Quarter of Section 5, the North Half of Section 8, the North Half and Southwest Quarter of Section 7, Township 26 North, Range 12 East; the South Half of Section 12, the Northwest Quarter of Section 13, the North Half and Southwest Quarter of Section 14, the South Half of Section 15, the Northwest Quarter of Section 22, the North Half of Section 21, the North Half of Section 20, and the North Half of Section 19, Township 26 North, Range 11 East, Wells County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the east by a line normal to the original centerline of said main track at Railroad Valuation Station 6536+64 (Milepost Location 123.80) and bounded on the west by the common line between Wells County and Huntington County, Indiana, said line crossing said original centerline of main track at Railroad Valuation Station 6990+10, more or less (approximate Milepost Location 132.4), containing 126 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0038-R1 (Sheets 1 through 6, inclusive, of 6), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Wabash Central Railroad Corporation
Bluffton Line

County of Grant, State of Indiana, to-wit:

All those strips, pieces or parcels of land situate, lying and being in the East Half and Southwest Quarter of Section 2, the Northwest Quarter of Section 11, the East Half and Southwest Quarter of Section 10, the Northwest Quarter of Section 15, and the North Half of Section 16, Township 25 North, Range 9 East, Grant County, Indiana, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Douglas, Ohio, and Van Buren, Indiana, bounded on the east by the common line between Huntington County and Grant County, Indiana, said line crossing the original centerline of said main track at Railroad Valuation Station 7417+82, more or less (approximate Milepost Location 140.5), and bounded on the west by a line perpendicular to said original centerline of main track at Railroad Valuation Station 7616+91 (Milepost Location 144.20), containing 39 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0040-R1 (Sheets 1 through 3, inclusive, of 3), dated July 9, 1997, revised September 23, 1997, attached hereto and made a part hereof

Maumee & Western Railroad Corporation
Defiance Line

County of Allen, State of Indiana,

to-wit:

All those strips, pieces or parcels of land situate, lying and being in Fractional Section Quarter, the South Half of Section 15, the Northwest Quarter of Section 22, the North Half and Southwest Quarter of Section 21, and the South Half of Section 20, Township 31 North, Range 15 East, Allen County, Indiana; being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by the common line between the states of Indiana and Ohio, said line crossing said original centerline of main track at Railroad Valuation Station 3985+81, more or less, being bounded on the west by a line perpendicular to said original centerline of main track at Railroad Valuation Station 4158+30 (Railroad Milepost Location T-79.00), containing 40 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 22 and 23 of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Defiance Line
Defiance County, Ohio
Maumee & Western Railroad Corporation

All those strips, pieces or parcels of land situate, lying and being in the East Half and Southwest Quarter of Section 36 and the Southeast Quarter of Section 35, Township 5 North, Range 5 East; the North Half of Section 2, the East Half and Southwest Quarter of Section 3, the Northwest Quarter of Section 10, the North Half and Southwest Quarter of Section 9, the South Half of Section 8, the Northwest Quarter of Section 17, and Section 18, Township 4 North, Range 5 East; the Southeast Quarter of Section 13, the North Half of Section 24, the East Half and Southwest Quarter of Section 23, the North Half of Section 26, the East Half and Southwest Quarter of Section 27, the South Half of Section 28, the Northwest Quarter of Section 33, the North Half and Southwest Quarter of Section 32, and the East Half and Southwest Quarter of Section 31, Township 4 North, Range 4 East; and the Southeast Quarter of Section 36, Township 4 North, Range 3 East; all lying in Defiance County, Ohio, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by the common line between Henry County and Defiance County, Ohio, said line being the east line of said Section 36, Township 5 North, Range 5 East, and also crossing said original centerline of main track at Railroad Valuation Station 2212+39.6, more or less, and bounded on the west by the common line between Defiance County and Paulding County, Ohio, said line being the south line of said Section 36, Township 4 North, Range 3 East, and also crossing said original centerline of main track at Railroad Valuation Station 2967+80, more or less, containing 175 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R1 (Sheets 8 through 15, inclusive, of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

Maumee & Western Railroad Corporation
Defiance Line
Paulding County, Ohio

All those strips, pieces or parcels of land situate, lying and being in the North Half of Section 1, the North Half and Southwest Quarter of Section 2, the East Half and Southwest Quarter of Section 3, the South Half of Section 4, the North Half of Section 9, the North Half and Southwest Quarter of Section 8, and the East Half and Southwest Quarter of Section 7, Township 3 North, Range 3 East; the Southeast Quarter of Section 12, the North Half of Section 13, the North Half and Southwest Quarter of Section 14, the North Half of Section 15, the Southeast Quarter of Section 16, the North Half of Section 21, the North Half and Southwest Quarter of Section 24, the North Half of Section 25, the North Half and Southwest Quarter of Section 26, the South Half of Section 27, the Southeast Quarter of Section 28, the North Half of Section 33, and the East Half and Southwest Quarter of Section 32, Township 3 North, Range 1 East; the West Half of Section 5, the South Half of Section 6, and the Northwest Quarter of Section 7, Township 2 North, Range 1 East, all lying in Paulding County, Ohio, being that portion of the right of way for Norfolk and Western Railway Company's main track as it runs between Liberty Center, Ohio and Woodburn, Indiana, bounded on the east by the common line between Defiance County and Paulding County, Ohio, said line being the north line of said Section 1, Township 3 North, Range 4 East, and also crossing said original centerline of main track at Railroad Valuation Station 2967+80, more or less, and bounded on the west by the common line between the states of Indiana and Ohio, said line crossing said original centerline of main track at Railroad Valuation Station 3985+81, more or less, containing 235 acres of land, more or less, and being located substantially as shown on Drawing Number RD-97-0041-R.1 (Sheets 15 through 21, inclusive, of 23), dated July 23, 1997, revised September 23, 1997, attached hereto and made a part hereof.

LESS AND EXCEPT any portion of the above described property previously conveyed to unnamed parties.

ALL THAT Certain piece, strip or parcel of land, together with track and appurtenances thereon, situated partly in the City of Connersville, Fayette County, and partly in the City of Beeson, Wayne County, State of Indiana, being a portion of the right of way of railroad of Consolidated Rail Corporation (formerly Cleveland, Cincinnati, Chicago and Saint Louis Railway Company) known as the White Water Running Track, and identified as Line Code 8345 in the records of the United States Railway Association, being all that real property lying in, under, above and along, continuous to adjacent to that part of the Railroad lying between the following two (2) described lines:

BEGINNING 1) a line drawn at right angles to center line station 3643+58, being the existing lateral cut line between Indiana Hi-Rail Corporation and Whitewater Valley Railroad Company M. P. 69.0 in Fayette County, Indiana and extending 2) to the line dividing the Northwest quarter of the Northeast quarter and the Southwest quarter of the Northeast quarter of Section 25, T15N, R12E, Wayne County as indicated by "PS" on Grantor's Case Plan Number 66391, Sheets 1 through 6 which are incorporated in Deed Record 04918, filed January 16, 1982, at book Record 417, Page 321 in the in the Office of the Recorder of Fayette County, Indiana.

BEING portions of the same premises which George W. Betz, Jr., as trustee of the property of the Cleveland, Cincinnati, Chicago and Saint Louis Railway Company, Debtor, by Conveyance Documents Number CCC&StL-CRC-RP-36, dated March 29, 1976 and recorded October 11, 1978 in the Recorder's Office of Fayette County, Indiana in Book 79 at page 62 &c (Instrument Number 107162); and by Conveyance Document Number CCC&StL-CRC-RP-61, dated March 29, 1976 and recorded October 25, 1976 in the Recorder's Office of Wayne County, Indiana in Book 400 at page 366 &c (Instrument 7896); granted and conveyed unto Consolidated Rail Corporation.

SUBJECT, however, to (1) whatever rights the State of Indiana, Local Municipalities and public may have to use any roads, streets, alleys or ways which may cross the hereinbefore described premises; (2) any streams or water ways passing under, over, across or through the hereinbefore described premises; and (3) any easements or agreements of record or otherwise affecting the land hereby conveyed, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing or remaining in, on, under, over, across and through the herein conveyed premises, together with the right to maintain, repair, renew, replace, use and remove the same.

EXCEPTING THEREFROM: Property heretofore conveyed to Whitewater Valley Railroad Company, and Indiana Not-for-Profit Corporation, by deed dated February 20, 1990 and recorded the ____ day of _____, _____ at Deed Record _____, Page _____ in the Office of the Recorder of Fayette County, and more particularly described as follows:

ALL THAT CERTAIN piece, strip or parcel of land, together with track and appurtenances thereon, Situated partly in the City of Connersville, Fayette County, and partly in the City of Beeson, Wayne County, State of Indiana, being a portion of the right of way or railroad of Consolidated Rail Corporation (Formerly Cleveland, Cincinnati and Chicago & St. Louis Railway Company) known as the White Water Running Track, and identified as Line Code 8345 in records of the United States Railway Association, being all that real property lying in under, above, along, continuous to and adjacent to that part of the Railroad lying between the following two (2) described lines:

BEGINNING 1) a line drawn at right angles to center line station 3581+80, being the existing lateral cut line between Consolidated Rail Corporation and Whitewater Valley Railroad Company MP 67.9 in Fayette County, and extending 2) to a line drawn at right angles to center line station 3643+58, MP 69.0 in Fayette County, IN.

SCHEDULE III
OPERATING AGREEMENTS

1. Box car lease on Ford cars from GE and lease for 14 covered Hopper cars.
2. All railroad crossing agreements including but not limited to the Crossing Agreement with CSX at Defiance, Ohio and the Crossing Agreement with the Indiana & Ohio Railroad at Liberty Center, Ohio.
3. All leases, licenses or agreements with third parties.
4. Trackage Rights Agreement with the Whitewater River Valley Railroad and CSC at Connersville, Indiana.
5. Joint Facilities Agreements and interlocking agreements for CSX at Defiance, Ohio and the Indiana & Ohio Railroad at Liberty Center, Ohio.
6. Joint Facilities Agreement at Connersville, Indiana.
7. All sidetrack agreements.
8. Transportation Contracts, including but not limited to, that of Coughlin Corporation.

SCHEDULE IV
ASSIGNED AGREEMENTS

26-Feb-98

MULTI	JA SING AGRS	LESSEE	ANNUAL RATE	NEW RATE	ANNIV DATE	BILLED THRU	COMMENTS (ES/CANCEL)	AGMT MONTHS	FEB 28 REMAINING MOS TO PRORATE	PRORATED REVENUES	UNCOLLECTED REVENUES	PRORATED REVENUES	NET PRORATED REVENUES
BL	89001	Helena Chemical	1,448.00		Apr 1	01-Apr-98	04/01/1998	12	1	120.87	(1,448.00)	(120.87)	0
BL	89004	Jones Spacelink	40.00	1,000.00	Apr 15	15-Apr-2004	04/15/2005	120	65	MULTI			0
BL	89005	City of Bluffton	100.00		Aug 1	01-Aug-98	08/01/1998	12	6	50.00			50
BL	89006	City of Bluffton	200.00		May 15	15-May-98	05/15/1998	12	2	33.33			33.33
BL	89007	City of Bluffton	100.00		Sep 1	01-Sep-98	09/01/1998	12	7	58.33			58.33
BL	89008	City of Bluffton	100.00		Dec 26	01-Jan-94	12/26/1998	12	10	83.33			83.33
BL	89013	Northern Ind Pub Svc	100.00		Jul 27	27-Jul-97	07/27/1998	12	5	41.67	(600.00)	(41.67)	0
BL	89014	Huntington Co. Co-op	100.00		Oct 1	01-Jan-94	10/01/1998	12	2	16.67			16.67
BL	89015	MichWisc Pipeline Co.	100.00		Apr 27	27-Apr-98	04/27/1998	12	0	0.00	(950.00)		0
BL	89017	United Telephone	100.00		Feb 1	01-Jan-94	02/01/1998	12	0	0.00	(211.38)		58.33
BL	89021	MichWisc Pipeline Co.	100.00		Sep 15	01-Jan-94	09/15/1998	12	7	58.33			58.33
BL	89024	Town of VanBuren	100.00		Apr 18	18-Apr-98	04/18/1998	12	2	16.67	(100.00)	(16.67)	0
BL	89027	Central Soya Co.	48.00		Jul 29	29-Jul-98	07/29/1998	12	5	20.00	(48.00)	(20.00)	0
BL	89028	Central Soya Co.	8.00		May 7	07-May-98	05/07/1998	12	2	1.33	(18.00)	(1.33)	0
BL	89029	Central Soya Co.	20.00		Aug 30	01-Jan-94	08/30/1998	12	6	10.00	(20.00)	(10.00)	0
BL	89030	Central Soya Co.	25.00		Apr 1	01-Jan-94	04/01/1998	12	1	2.08	(25.00)	(2.08)	0
BL	89031	Central Soya Co.	10.00		Dec 1	01-Jan-94	12/01/1998	12	9	7.50	(10.00)	(7.50)	0
BL	89032	Orbicon Products, Inc.	50.00		Dec 15	01-Jan-94	12/15/1998	120	85	MULTI			0
BL	89037	West Ohio Gas Co.	100.00	1,000.00	Mar 25	25-Feb-2005	03/25/2005	12	7	58.33	(301.38)	(41.67)	58.33
BL	89039	Dayton Power & Light Co.	100.00		Sep 20	01-Jan-94	09/20/1998	12	5	41.67	(2,480.92)	(50.00)	0
BL	89042	MichWisc Pipeline Co.	100.00		Jul 7	07-Jul-97	07/07/1998	120	78	MULTI			0
BL	92001	City of Delphos	200.00		Jun 1	01-Jan-98	06/01/1998	12	3	50.00			0
BL	94041	Citizens Telephone Corp	225.00	2,250.00	Sep 1	01-Jan-98	09/01/2004	120	41	MULTI			0
BL	96003	City of Bluffton	200.00	220.00	Jul 18	18-Jul-97	07/18/1998	12	5	91.67			91.67
BL	96004	City of Bluffton	200.00	220.00	Jul 18	18-Jul-97	07/18/1998	12	5	91.67			91.67
BL	96005	City of Bluffton	200.00	220.00	Jul 18	18-Jul-97	07/18/1998	12	5	91.67			91.67
BL	96012	Village of Fort Jennings	2,000.00		Aug 26	01-Jan-94	08/26/1998	12	1	8.33			8.33
BL	99008	Randy J Harnish	100.00		Mar 15	15-Mar-98	03/15/1998	120	36	MULTI			0
BL	99010	Indiana Bell (Ameritech)	100.00		Apr 24	24-Apr-2001	04/24/2001	120	41	MULTI			0
BL	99011	Indiana Bell (Ameritech)	100.00		Jul 15	15-Jul-2001	07/15/2001	120	41	MULTI			0
BL	99012	Indiana Bell (Ameritech)	100.00		Aug 10	10-Aug-2001	08/10/2001	120	41	MULTI			0
BL	94037	City of Delphos, OH	0.00		Mar 21	01-Jan-94	03/21/1998	12	1	8.33			8.33
BL	96001	ROOCC Leasing Sales &	0.00		Mar 13	13-Mar-98	03/13/1998	12	1	8.33			8.33
BL	96002	Village of Ohio City	0.00		May 21	21-May-98	05/21/1998	12	1	8.33			8.33
BL	91001	Cville Utilities	100.00		Jun 1	12-Jun-98	06/12/1998	12	3	25.00	(100.00)	(25.00)	0
CV	81002	Cville Utilities	100.00		Jun 1	25-Feb-2005	03/25/2005	120	85	MULTI			0
CV	81003	Cville Utilities	110.25	115.76	Jun 1	12-Jun-98	06/12/1998	12	3	28.94	(110.25)	(28.94)	0
CV	81005	Cville Utilities	110.25	115.76	Jun 1	12-Jun-98	06/12/1998	12	3	28.94	(110.25)	(28.94)	0
CV	81006	Cville Utilities	110.25	115.76	Jun 1	01-Jun-98	06/01/1998	12	3	28.94	(110.25)	(28.94)	0
CV	81012	Goodman Diversified	100.00		May 1	01-May-92	05/01/1992	12	10	41.67	(50.00)	(41.67)	0
CV	81019	State Farm Insurance	50.00		Dec 17	01-Jan-94	12/17/1997	12	9	86.82	(110.25)	(86.82)	0
CV	81021	Cville Utilities	110.25	115.76	Dec 1	01-Jan-94	12/01/1998	12	4	36.59	(110.25)	(36.59)	0
CV	81024	Cville Utilities	110.25	115.76	Nov 1	23-Jun-98	06/23/1998	12	1	16.67			16.67
CV	81028	Venture Management Co	200.00		Apr 1	08-Apr-98	04/08/1998	12	1	16.67			16.67
CV	81031	Int of Connerville	200.00	0.00	Oct 28	01-Jan-94	10/28/1993	12	1	16.67			16.67
CV	82002	Preferred Risk	200.00		Jan 1	01-Jan-94	01/01/1994	12	6	175.00			175
CV	93016	National Advertising	850.96	350.00	Sep 1	01-Jan-94	09/01/1998	12	12	521.15			521.15
CV	93018	Waltel, Inc. (World Com)	267.18	893.40	Oct 1	01-Jan-94	10/01/1998	12	12	267.18	(267.18)	(267.18)	0
CV	93023	Sarmon (Marcus Cable)	292.82	372.10	Aug 1	01-Feb-98	02/01/1998	12	5	134.21			134.21
CV	93035	Cville Utilities	200.00	2,000.00	May 1	01-May-2004	05/01/2004	120	74	MULTI			0
CV	94042	Dawn's Dairy Mart	500.00		Dec 30	01-Jan-94	12/30/1997	12	10	416.67	(500.00)	(416.67)	0
CV	93012	Bruce Watts	440.00	484.00	Feb 1	01-Feb-95	02/01/1995	12	60	MULTI			0
CV	93014	Porter Poster Svc	45,000.00		Mar 1	01-Mar-2003	03/01/2003	120	14	118.87			118.87
CV	96001	Lake Welding & Sign	250.00	300.00	May 1	01-May-98	05/01/1998	12	3	180.00			180
DF	89046	Allen Co Co-op	720.00		Jun 1	01-Jun-98	06/01/1998	12	6	524.00			524
DF	89047	Antwerp Equity Exchange	1,048.00		Aug 18	18-Aug-97	08/18/1998	12	4	68.87	(200.00)	(68.87)	0
DF	89048	Village of Ashwep OH	200.00		Jun 23	23-Jun-98	06/23/1998	12	5	52.06			52.06
DF	89049	Ohio Gas Co	100.00	1,500.00	Jun 4	04-Jun-2004	06/04/2004	120	75	MULTI			0
DF	89050	City of Defiance	125.00		Jul 15	15-Jul-97	07/15/1998	12	2	41.67	(100.00)	(41.67)	0
DF	89051	Cox Communications	250.00		Jun 1	01-Jun-98	06/01/1998	12	3	25.00			25.00
DF	89052	Times Mirror Cable	100.00		Apr 11	11-Apr-98	04/11/1998	12	2	16.67	(25.00)	(16.67)	0
DF	89057	Toledo Edition Co.	350.00		Jun 10	01-Jun-98	06/10/1998	12	4	33.33	(350.00)	(33.33)	0
DF	89058	Toledo Edition Co	100.00		Jun 14	14-Jun-98	06/14/1998	12	10	291.67	(100.00)	(291.67)	0
DF	89061	Arco Pipeline Co	100.00		Mar 18	18-Mar-98	03/18/1998	12	10	600.00	(2,160.00)	(600.00)	0
DF	89063	Gerald Gran Center	720.00		Jan 1	01-Jan-98	01/01/1998	12	10	600.00	(2,160.00)	(600.00)	0

EXHIBIT 3.2
SPECIFIC REPRESENTATIONS

[TO BE COMPLETED FOR BORROWER AND EACH GUARANTOR]

1. The exact legal name of the Borrower is: _____.
2. The federal Employer I.D. number is: _____.
3. If the Borrower has changed its name since it was incorporated, its past legal names were:

_____.
4. The Borrower uses in its business and owns the following trade names:
_____.
5. The Borrower was incorporated on _____, under the laws of the State of _____ and is in good standing under those laws.
6. The Borrower is qualified to transact business in the following states:
_____.
7. The Borrower has its chief executive office and principal place of business at _____ . This office is in _____ County.
Borrower maintains all of its records with respect to its Accounts at that address.
8. The Borrower also has places of business at: _____
_____.
9. No inventory, equipment or fixtures owned by the Borrower are located at any other place, nor were they located at any other place within the past four months, except at _____
_____.
10. In the past five years the Borrower has never maintained its chief executive office or principal place of business or records with respect to accounts, nor owned personal property, at any locations except those set forth above and except _____
_____.
11. The following entities (a) have been merged into the Borrower, (b) have sold substantially all of their assets to the Borrower or (c) have sold assets to the Borrower outside the ordinary course of their business since the Borrower was incorporated: _____

- _____
- _____
- _____.
12. The Borrower owns the following numbers of motor vehicles: _____ autos; _____ trucks; _____ tractors; _____ trailers.
13. The Borrower is not the owner or licensee of any registered patents, trademarks or copyrights except _____
- _____.
14. The Borrower does not have any subsidiaries, or own stock in any other corporations, or own an interest in any partnerships or joint ventures, except _____
- _____.
15. The Borrower is not the owner of any life insurance policies except _____ . Such life insurance policy is in the face amount of \$ _____, has a policy number of _____ and was issued by _____
- _____.
16. The Borrower is not the owner of any business interruption insurance policies except _____
- _____ . Such insurance policy has a policy number of _____ and was issued by _____
- _____.
17. If the Borrower is incorporated in Kentucky or qualified to do business there, its registered agent and registered office there as listed on the Kentucky secretary of state's corporate records are: _____
- _____.
18. The Borrower is not a plaintiff or defendant in any litigation except as set forth on the Litigation exhibit.

EXHIBIT 4.1

CERTIFICATE OF EACH BORROWER

EXHIBIT 4.3

LITIGATION

EXHIBIT 4.10

BORROWER'S MEMBERS

MEMBERS

Tom Wilson

Ed Reid

Spencer Wendelin

J. Thomas Meeks

J. Thomas Meeks & Associates Age Weighted Profit Sharing Plan

Tommy Cunningham

Maurice Lewis

Meeks Investments

Leonard Opperman

Phillip Randall Individual Retirement Plan

Richard R. Wilson

EXHIBIT 7.1(d)

OPINION OF COUNSEL FOR BORROWER AND GUARANTORS

EXHIBIT 7.2

THE FIFTH THIRD BANK

COLLATERAL REPORT

I. Total Accounts as of _____, 19__	\$ _____
Less: Accounts Over 90 Days From Invoice	\$ _____
50% Rule	\$ _____
Other (Employee, Contra Accts., Etc.)	\$ _____
Eligible Accounts	\$ _____
Advance Rate	X __%
LOAN AVAILABILITY - ACCOUNTS	\$ _____

The terms and conditions of this Collateral Report are governed by The Loan and Security Agreement dated _____, 1998, (hereinafter referred to as the "Agreement") between Borrower and The Fifth Third Bank ("Bank"); all definitions, undertakings, obligations, covenants and warranties applicable to Borrower under the Agreement including, without limitation, the assignment by Borrower to Bank of collateral, are hereby acknowledged by Borrower to be in fully force and effect.

Borrower, by execution hereof, warrants and represents the following:

- a) There exists no Default or Event of Default, as defined, pursuant to the Agreement;
- b) Borrower has read and is familiar with the Agreement, understands each term and condition set forth therein, undertakes to comply therewith and will obtain, if necessary, from Bank a copy of the Agreement for review of Borrower's obligations thereunder;
- c) There exists no lien, encumbrance, legal proceeding or other similar act or condition which would impair, restrict or limit Bank's rights with respect to collateral pledged pursuant to the Agreement, including, without limitation, items of collateral reported herein;
- d) Borrower represents and warrants that the collateral balances reported herein are true and correct.

RMW VENTURES, LLC.

Dated: _____, 19__

By _____

Its _____

EXHIBIT A

INVESTORS

INVESTORS

Tom Wilson

Ed Reid

Spencer Wendelin

J. Thomas Meeks

J. Thomas Meeks & Associates Age Weighted Profit Sharing Plan

Tommy Cunningham

Maurice Lewis

Meeks Investments

Leonard Opperman

Phillip Randall Individual Retirement Account

Richard R. Wilson

EXHIBIT B

ACQUISITION CERTIFICATE